



# ***Daily Report***

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## **China**

FBIS-CHI-92-124  
Friday  
26 June 1992

# Daily Report

## China

FBIS-CHI-92-124

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26 June 1992

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### World Leaders Mourn Li Xiannian's Death

OW2506214692 Beijing XINHUA Domestic Service  
in Chinese 1516 GMT 24 Jun 92

[Text] Beijing, 24 June (XINHUA)—Heads of state and leaders of organizations of various countries separately sent cables to General Secretary Jiang Zemin, Chairman Yang Shangkun, Premier Li Peng, and the National Committee of the Chinese People's Political Consultative Conference (CPPCC) on 22 and 23 June to express their heartfelt condolences over the demise of CPPCC Chairman Li Xiannian.

Kim Il-song, general secretary of the Central Committee of the Workers Party of Korea and chairman of the DPRK cabled Jiang Zemin and Yang Shangkun. The text of the cable is as follows:

"I was shocked to learn of the unfortunate death of Chairman Li Xiannian of the National Committee of the CPPCC. On behalf of the Central Committee of the Workers' Party of Korea, the Government of the DPRK, the people of Korea, and myself, I wish to express my heartfelt condolence to you and, through you, to the Central Committee of the CPC, the Government of the PRC, the people of China, and the family of the deceased.

"Comrade Li Xiannian was an outstanding party and state leader of China. Over a long time, he has made tremendous contributions toward China's revolution and socialist construction, and he has dedicated himself wholeheartedly to the cause of maintaining national stability and unity, as well as the reunification of the motherland.

"Comrade Li Xiannian was a close friend of the people of Korea. He has always positively supported our revolutionary struggles and has made great contributions toward strengthening the friendship and unity between the peoples of Korea and China.

"Although Comrade Li Xiannian has departed, his meritorious deeds will always be remembered."

Than Shwe, chairman of Burma's State Law and Order Restoration Council and premier of the Burmese Government sent a cable to Yang Shangkun and Li Peng. The text of the cable is as follows:

"We were pained to learn of the death of former Chinese President Li Xiannian at the age of 83. This is no doubt a great loss to the Chinese leaders and the people of China. With great respect and sorrow, the members of the Burmese State Law and Order Restoration Council wish to express our deepest condolences to you and your government and, through you, to the family of the deceased.

"Veteran Burmese leaders who have played significant roles in establishing 'paukphaw' [Sino-Burmese fraternity] also expressed their heartfelt condolences on the demise of Li Xiannian.

"The order of nature cannot be resisted. However, the leaders and future leaders of our respective countries have a lofty responsibility to continue to strengthen bilateral friendly relations."

Yasir 'Arafat, president of the state of Palestine and chairman of the Executive Committee of the PLO sent a cable to Yang Shangkun. The text of the cable is as follows:

"I was shocked to learn of the death of Li Xiannian, former Chinese president and chairman of the National Committee of the CPPCC. I, myself, and on behalf of the members of the PLO Executive Committee and the Palestinian people wish to convey our most sincere comrade-like condolences and deepest sympathy to you and, through you, to the CPC, the comrades of the CPPCC Standing Committee, and the friendly government and people of China.

"The death of Comrade Li Xiannian has cost the people of your friendly country a loyal son who spent his whole life striving for the advancement and prosperity of the people of China, as well as strengthening the PRC's position and function in the world. His death also cost the struggling Palestinian people a close comrade and friend who has unswervingly supported our righteous fight for freedom and independence.

"I hereby express my deepest sympathy to you, please convey my sincerest comrade-like condolences and sympathy to the family of Comrade Li Xiannian."

Queen Elizabeth II of Britain sent a cable to Yang Shangkun. The text of the cable is as follows:

"I was pained to learn of former President Li Xiannian's death. He has dedicated his entire life to the state. Prince Philip and I fondly remember our meetings with him in Beijing and Shanghai. Our condolences to his family."

Yemeni President 'Ali 'Abdallah Salih cabled Yang Shangkun. The text of the cable is as follows:

"Shocked to learn of the death of Li Xiannian, former Chinese president and chairman of the National Committee of the CPPCC, I wish to express my heartfelt condolences and sympathy to you and the friendly people of China."

Korean Premier Yon Hyong-muk sent a cable to Li Peng. The text of the cable is as follows:

"I was shocked to learn of the unfortunate death of Li Xiannian, chairman of the National Committee of the CPPCC. I wish to express my heartfelt condolences to you and to our Chinese brethren and the family of the deceased through you.

"Comrade Li Xiannian was a veteran proletarian revolutionary. While shouldering the important tasks of the party and the state, he carried out selfless struggles for the cause of the Chinese people's revolution and the establishment of New China. He also made tremendous contributions toward the enhancement and development of the traditional friendship between Korea and China.

"Although Comrade Li Xiannian has departed, his meritorious deeds shall always be remembered."

Japanese Premier Kiichi Miyazawa sent a cable to Li Peng. The text of the cable is as follows:

"I was shocked to learn of the announcement of the death of Li Xiannian, chairman of the National Committee of the CPPCC.

"Our citizens are well aware that Li Xiannian held various important positions in your country and made relentless efforts to construct and develop China, and that he was deeply respected by the people of China.

"On behalf of the Japanese people, I sincerely pray for Li Xiannian's well-being in the netherworld. Please give my heartfelt sympathy to Madame Lin Jiamci."

Speaker of the Japanese House of Representative Yoshio Sakuruchi sent a cable to the National Committee of the CPPCC. The text of the cable is as follows:

"I was shocked to learn of Chairman Li Xiannian's death and wish to express my deepest condolences.

"Li Xiannian brought to play outstanding leadership and carried out meritorious deeds in the liberation of the Chinese nationality and the establishment of New China. He also positively supported the development of friendly Japanese-Chinese relations. The Japanese people are deeply moved and will always remember this."

The Central Committee of the Democratic National Unification Front of the DPRK sent a cable to the National Committee of the CPPCC. The text of the cable is as follows:

"On learning that Chairman Li Xiannian of the National Committee of the CPPCC has died of illness, the Central Committee of the Democratic National Unification Front wishes to express its heartfelt condolences to the National Committee of the CPPCC and the family of the deceased.

"Although Comrade Li Xiannian has departed, his meritorious deeds in building socialism with Chinese characteristics, rallying China's various democratic parties and groups and various nationalities around the CPC, and struggling to realize the reunification of the motherland under the leadership of the CPC will always be remembered by the people of China."

#### Further on Condolences

*OW2606054692 Beijing XINHUA Domestic Service in Chinese 1407 GMT 25 June 92*

[Text] Beijing, 25 June (XINHUA)—From 22 to 24 June, the leaders and organizations of certain countries sent cables of condolence to President Yang Shangkun, Premier Li Peng, and the national committee of the Chinese People's Political Consultative Conference [CPPCC] to extend deep condolences over the death of national CPPCC committee Chairman Li Xiannian.

King Birendra of Nepal sent a cable of condolences to Yang Shangkun. Text of the cable follows:

"I was shocked and saddened at the news of the passing of former PRC State President Li Xiannian. His visit to Nepal several years ago contributed significantly to further strengthening Nepalese-Chinese relations. We still remember the visit vividly. On behalf of the Nepalese Government and people, I hereby express, in my personal name, profound grief to the Chinese people and to the family of President Li through Your Excellency."

Pakistani President Khan Ishaq sent a cable of condolences to Yang Shangkun. Text of the cable follows:

"On behalf of the government and people of the Islamic Republic of Pakistan, I hereby extend, in my personal name, deep condolences over the unfortunate passing of national CPPCC committee Chairman and former Chinese State President Mr. Li Xiannian.

"Mr. Li Xiannian was a Chinese political leader who devoted his whole life and made remarkable contributions toward various endeavors. As a political leader and military commander, he made brilliant, internationally acknowledged contributions toward the revolution as well as his country's stability and progress.

"As a PRC president, Mr. Li Xiannian made notable contributions toward the development of close relations between China and Pakistan. The Pakistani people cherish the memory of his successive visits to Pakistan. His passing is a tragic loss of a great friend of Pakistan."

Sri Lankan President Ranasinghe Premadasa sent a cable of condolences to Yang Shangkun. Text of the cable follows:

"I deplore the passing of national CPPCC committee Chairman Li Xiannian. Former President Li Xiannian's 1986 visit to Sri Lanka left us with a fond memory.

"The Sri Lankan Government, the Sri Lankan people, and myself hereby express our deep sorrow to the Chinese Government, the Chinese people, and the family of President Li."

Togolese President Gnassingbe Eyadema sent a cable of condolences to Yang Shangkun. Text of the cable follows:

"The people of Togo were deeply distressed to learn of the unfortunate passing of former State President Li Xiannian. The people of Togo would like to pay tribute to the immortal contributions made by this eminent personality after he assumed the presidency in 1983.

"At this grievous moment, please let me express my deepest condolences to Your Excellency and to the family of the deceased."

United Arab Emirates [UAE] President Zayid Bin-Sultan Al Nuhayyan sent a cable of condolences to Yang Shangkun. Text of the cable follows:

"I was distressed to learn of the passing of former PRC President, His Excellency Mr. Li Xiannian. On behalf of the people and government of the UAE, I hereby express, in my personal name, my sincere regards and deep condolences to Your Excellency, the Chinese Government, the family of the late His Excellency Mr. Li Xiannian, and all friendly people in the PRC. May his soul rest in peace forever."

UAE Vice President and Prime Minister Maktum Bin-Rashid Al Maktum sent a cable of condolences to Yang Shangkun. Text of the cable follows:

"I was saddened to hear of the passing of former PRC President His Excellency Mr. Li Xiannian. On behalf of the UAE government, I hereby express, in my personal name, my deep condolences to Your Excellency, the Chinese government, the family of the late His Excellency Mr. Li Xiannian, and all friendly people in the PRC. May his soul rest in peace forever."

Pakistani Prime Minister Nawaz Sharif sent a cable of condolences to Li Peng. Text of the cable follows:

"I was very distressed at the news of the unfortunate passing of His Excellency Li Xiannian. On behalf of the government and people of the Islamic Republic of Pakistan, I hereby extend deep condolences, through Your Excellency, to the Chinese people and the family of Li Xiannian.

"His Excellency Li Xiannian worked for many years in important government and party posts and enjoyed high prestige among the Chinese leadership and people. During his tenure as state president, he led China toward economic development and stability. The Pakistani people regard him as a great friend of Pakistan. His prominent role in establish relations between our two countries will be eternally etched in the memory of the people."

The Vietnam Fatherland Front's Central Committee sent a cable of condolences to the national committee of the CPPCC. Text of the cable follows:

"We were distressed to hear of the passing of Comrade Li Xiannian, chairman of the national committee of the CPPCC and a leader of the Chinese party, government, and people from the older generation. We hereby express

our deep sorrow to the national committee of the CPPCC and to the family of Comrade Li Xiannian."

Acting Japanese Foreign Minister Kiichi Miyazawa sent a cable of condolences to Foreign Minister Qian Qichen. Text of the cable follows:

"I was shocked and saddened at the news of the passing of national CPPCC committee chairman His Excellency Li Xiannian.

"I hereby sincerely pray for His Excellency Li Xiannian. Please convey my deep sorrow to Mrs. Lin Jiamei and all members of the bereaved family."

Makoto Tanabe, chairman of the Central Committee of the Social Democratic Party of Japan [SDPJ], sent a cable of condolences to the CPC Central Committee. Text of the cable follows:

"I was distressed to learn of the passing of former PRC President Li Xiannian. On behalf of the SDPJ Central Committee, I hereby express my deep condolences.

"Former President Li Xiannian's contributions toward your country's development and stability will go down in the annals of history. I hope that the people of your country will convert sorrow into strength and continue to propel China's development."

#### **Delegation Attends Geneva Labor Meeting**

*OW2506153892 Beijing XINHUA Domestic Service in Chinese 0514 GMT 24 Jun 92*

[By reporter Shi Guangyao (2457 0342 5069)]

[Text] Geneva, 23 June (XINHUA)—The 79th International Labor Congress closed here today after adopting a series of documents for protecting workers' interests more effectively, including the Convention for Protecting Workers' Credit Rights.

The highest power organ of the International Labor Organization [ILO], the International Labor Congress, meets once every year.

One of the main topics of discussion of this year's congress was how workers' interests can be protected when they are incapacitated to pay debts. One convention adopted at the meeting points out that when an employer is incapacitated to pay debts, revitalizing his business and protecting employment become equally important, and workers' wages should be paid first.

During the three-week meeting, the 2,000 or so government and employer representatives from 151 countries discussed issues about revising labor norms, protecting workers from impacts caused by major industrial accidents, and training skilled workers, as well as the ILO's role during the global democratization process.

The meeting approved a special resolution, which calls on the international community to continue its sanctions



against the South African authorities until their apartheid system has been completely uprooted.

In accordance with the report submitted by the International Labor Bureau, the representatives also discussed issues concerning the situation of laborers in occupied Arab territories.

The Chinese delegation, headed by Vice Minister of Labor Zhu Jiazhen, and composed of government representatives, employers, and trade unions attended the International Labor Congress.

### Efforts Against Drug Smuggling Reported

OW2606092292 Beijing XINHUA in English  
0903 GMT 26 Jun 92

[Text] Beijing, June 26 (XINHUA)—A senior Chinese police officer said here today that China is willing to co-operate with any country in the fight against drug trafficking.

Yu Lei, deputy minister of Public Security, said that China's National Narcotics Control Commission (NNCC) is already taking part in co-operation in the Golden Triangle area, as proposed by the U.N. International Drug Control Program (UNDCP).

A trilateral project document among China, Myanmar [Burma] and the UNDCP was signed in Rangoon June 12 this year. The document is intended to curb the transit of drugs through China and to help Myanmar farmers to plant crops in place of growing drugs.

The transit of drugs through China is a major problem, which requires long-term efforts and international cooperation, Yu said.

It is learned that China has already established co-operative relations with Thailand, Australia, Japan, the United States and other countries both in drug information exchange and joint investigation.

The Chinese customs has also strengthened co-operation with its counterparts in Thailand, Myanmar, Japan and Hong Kong. It was reported that the Japanese customs caught a British drug trafficker last year with the help of information provided by the Chinese customs.

Besides, representatives of 18 countries and regions attended a anti-narcotics training class this March in China, co-organized by the Chinese customs and the International Customs Co-operation Association.

The Chinese Ministry of Public Health and the World Health Organization co-sponsored a symposium in March last year in China on the prevention and control of drug abuse.

The deputy minister said that international co-operation has been effective in curbing drug transport through China.

It is unjustifiable for a few U.S. Congressmen to accuse China of being not active in the international co-operation against drugs, Yu added.

Meanwhile, Liu Wen, deputy secretary-general of the NNCC, said that foreign drug traffickers are punished according to China's laws with equal severity as Chinese drug traffickers.

Liu cited the example of two British drug dealers sentenced by the court in Shanghai to eight and 15 years in prison, respectively.

In 1991 Chinese police arrested 829 drug dealers from 15 countries or regions.

Commenting on the kidnapping of a Mexican last week by U.S. anti-narcotics agents, Liu said that such an act was in violation of the international norm. International co-operation should be based on mutual respect for each other's territorial sovereignty, he added.

### Kim Il-song Supports Reconciliation in Cambodia

OW2306183492 Beijing XINHUA in English  
1504 GMT 23 Jun 92

[Text] Pyongyang, June 23 (XINHUA)—The president of the Democratic People's Republic of Korea (DPRK), Kim Il-song, said today that the Korean people support national reconciliation in Cambodia.

In a message to Samdech Norodom Sihanouk on Cambodia's National Day, Kim said that great progress had been made in achieving peace and stability under Prince Sihanouk's leadership.

The Korean people are glad to note that all factions in Cambodia are united in the Supreme National Council headed by Prince Sihanouk, Kim said. They "support you (Sihanouk) in your just cause," he added.

The DPRK president said that the ceasefire in Cambodia last June and the conclusion of Paris peace agreements had opened "a broad avenue" for the Cambodian people to achieve national reconciliation and unity and reconstruct the country.

Kim expressed the hope that Prince Sihanouk and his people would achieve greater successes in healing the wounds of war and building a prosperous new Cambodia.

### Top 10 Sino-Foreign Joint Ventures Commended

OW2506152092 Beijing XINHUA in English  
1426 GMT 25 Jun 92

[Text] Beijing, June 25 (XINHUA)—The Shanghai Volkswagen Automotive Company was among the top ten Sino-foreign joint ventures commended today by the Chinese Government.

The others include the Shenzhen China Bicycles Company Holdings Ltd, Shenzhen Konka Electronic Group

(Holdings) Ltd, Xian-Janssen Pharmaceutical Ltd, China Hewlett-Packard Company Ltd, Shanghai-Ek Chor Motorcycle Company Co Ltd, Tianshan Woollen Fabric Co Ltd in Xinjiang, China Schindler Elevator Ltd and the Beijing-Matsushita Color Crt Co Ltd.

The ventures, which involve the investment of at least 10 million U.S. dollars each, were selected for economic performance and achievement.

Vice-Premier Tian Jiyun said that China's opening up program has entered into a new stage with more pace and an improved investment environment. This will create a favorable situation for further investment expansion in China.

He said that the operation of the ten named Sino-foreign joint ventures show that investment in China has a bright future.

Since its opening to foreign investment in 1979, China has approved 42,000 Sino-foreign joint ventures.

#### **ADB Approves Loan for Railway in Guangdong**

OW2506151092 Beijing XINHUA in English  
1406 GMT 25 Jun 92

[Text] Manila, June 25 (XINHUA)—The Manila-based Asian Development Bank (ADB) today approved a loan of 200 million U.S. dollars for a railway project in Guangdong Province of China.

The loan has a repayment period of 25 years, including a grace period of five years, with the interest rate to be determined in accordance with the bank's pool-based variable lending rate system.

Under the Guang-Mei-Shan railway project, 480 kilometers of a single-track standard gauge railway will be constructed between Chanping, near Guangzhou, and Shantou, with a spur line to Meizhou.

Project components include preparation of track bed, 28 new railway stations, 179 large and medium size reinforced concrete bridges, 2,510 small-size bridges and 68 tunnels, signaling, telecommunications and other equipment, land acquisition and consulting services.

The project will facilitate economic growth in the region and lead to more balanced development in the province by permitting efficient and economic transportation.

It will also provide access to the special economic zones in the provinces namely Zhuhai, Shenzhen and Shantou which are near Macao and Hong Kong.

Some 19 million inhabitants of the mountainous and relatively less developed eastern part of the province will benefit from the project.

Furthermore, the ADB also approved two technical assistance grants of 250,000 U.S. dollars to monitor the socio-economic impact of the project.

#### **Northeast Asia**

#### **Mongolian Premier Repudiates Anti-PRC Remarks**

OW2606064992 Beijing XINHUA Domestic Service  
in Chinese 1259 GMT 24 June 92

[Text] Ulaanbaatar, 25 June (XINHUA)—Prime Minister Dashiyn Byambasuren of the Mongolian State Government said: Political forces that adopt a sensible attitude toward the future destiny of the Mongolian state should develop friendly, equal, and mutually beneficial cooperative ties with our two neighbors of China and Russia in accordance with universally acknowledged international norms.

He made the remark during an interview with Mongolian reporters on the 28 June elections to the Great Hural of the Mongolian state. Today's edition of UNEN carries his remarks during the interview.

In his remarks, Prime Minister Byambasuren repudiated statements recently circulated by some Mongolian political parties that are detrimental to Mongolian-Chinese relations. He said emphatically: After undergoing rigorous tests over the past 30 years, Mongolian-Chinese relations have reached a new level of mutual trust and respect. During a recent meeting with Chinese leaders, both sides stressed the need for respecting each other's independence, territorial integrity, chosen course of development; non-interference in each other's internal affairs; and development of good-neighborly relations and mutually beneficial cooperative ties. Both the Mongolian state and China share this stance.

He said: China and Russia are two great neighbors of ours. We cannot possibly abandon our geographical location between these two countries. Development is possible only through improved relations with them. This is an historical destiny imposed upon us by this world. Irreparable losses will result from the assumption of a wrong attitude of animosity toward these two neighbors in disregard of this point.

Some political parties in Mongolian society recently released a spate of statements or articles in a gratuitous accusation of China's attempt to "annex" Mongolia, attacking and discrediting the CPC and the line it has consistently upheld. In a recent television address, President Punsalmaagiyn Ochirbat of the Mongolian state urged all voters to cast ballots in their respective constituencies on 28 June, admonishing all political parties not to make the foreign policy of the Mongolian state a target of attack in an attempt to win votes.

#### **Mongolia Holds Great Hural Elections**

OW2506134492 Beijing XINHUA in English  
1237 GMT 25 Jun 92

[Text] Ulaanbaatar, June 25 (XINHUA)—Two hundred and ninety-three candidates will contest for 76 seats in the Great People's Hural on Sunday, a senior Mongolian election official said today.

S. Lhagwas-Ureng, chairman of the Great Hural's election committee, told a press conference that registration of voters had been completed and 1.1 million people would vote on June 28.

The election starts at 7 A.M. and finishes at 10 P.M. at 1,564 polling booths throughout the country.

Preliminary results of the election would be announced on July 4, Lhagwas-Ureng said.

The European Parliament, Germany, Hungary and the United States have decided to send observers to monitor the election, he added.

### Southeast Asia & Pacific

#### Wan Li Receives Visiting AIPO Delegation

OW2506181292 Beijing XINHUA in English  
1438 GMT 25 Jun 92

[Text] Beijing, June 25 (XINHUA)—Wan Li, chairman of China's National People's Congress (NPC) Standing Committee, has reaffirmed the great importance China attaches to developing friendly relations and cooperation with the ASEAN countries.

He made the comments at a meeting with a delegation from the ASEAN Inter-Parliamentary Organization (AIPO) at the Great Hall of the People here this evening.

Wan said China pursues an independent foreign policy of peace. To strengthen its friendly and good-neighborly relations with the ASEAN countries is an important component of its foreign policy.

To develop such relationships will play an important role for peace and development in the Asian and Pacific region, he added.

The delegation led by Mohamad Kharis Suhud, chairman of the AIPO and speaker of the House of Representatives of Indonesia, with Tan Sri M. Zahir, speaker of the House of Representatives of Malaysia, as deputy, arrived by air this afternoon at the invitation of the NPC Standing Committee.

During the meeting, Wan welcomed the first delegation from the AIPO to visit China.

He said China and the ASEAN countries are close neighbors, adding that over the past few years their relations in the political, economic and cultural fields have grown substantially.

The NPC is willing to further strengthen its contacts and cooperation with the AIPO and ASEAN countries' parliamentary organizations.

Wan briefed the visitors on China's present reform and program of opening to the outside world, saying that China wants to learn from the ASEAN countries' experiences to speed up the pace for its modernization.

Suhud expressed the belief that the delegation's current visit to China will be conducive to promoting the mutual understanding, friendship and cooperation between the AIPO and China's NPC.

He said that the close relationship between the AIPO and China will contribute to safeguarding peace in the Asian and Pacific region.

NPC Vice-Chairman Peng Chong attended the meeting.

Later, Wan gave a dinner in honor of the delegation which is composed of parliamentary members from Indonesia, Malaysia, Singapore and Thailand, the Philippine ambassador to China and officials from the AIPO.

#### Qin Jiwei Meets Lao Military Delegation

OW2506134292 Beijing XINHUA in English  
1149 GMT 25 Jun 92

[Text] Beijing, June 25 (XINHUA)—State Councillor and Defense Minister Qin Jiwei said that the friendly ties between the two countries and the two armed forces of China and Laos have been growing steadily in the past few years.

He made the remarks at a meeting with a military delegation led by Ai Souliga-seng, vice-defense minister and chief of General Staff of the Lao People's Army, here tonight.

Qin noted that the visit of the 17-member delegation marks a new period of development of the relations between the two armed forces.

He added that stronger ties between the two countries and the two armed forces is in the interests of the two sides and useful to peace and stability in Asia.

Describing the visit of his delegation as an embodiment of the friendly ties of the two armed forces, Ai Souliga-seng said that the discussions held between him and his hosts have deepened mutual understanding and friendship.

After the meeting, Qin gave a dinner in honor of the visitors who are scheduled to leave for a tour of southern China.

Present at the meeting and dinner was Chi Haotian, chief of General Staff of the Chinese People's Liberation Army.

### Near East & South Asia

#### Tunisian Leader Receives PLA Navy Commander

OW2606051692 Beijing XINHUA Domestic Service  
in Chinese 0354 GMT 25 Jun 92

[By reporter Zhou Xungang (0719 6064 0474)]



[Text] Tunis, 24 June (XINHUA)—Tunisian Prime Minister Hamed Karoui said on the afternoon of 24 June that Tunisia was looking forward to a visit by PRC President Yang Shangkun and that he would receive a warm welcome.

Prime Minister Karoui made these remarks while meeting with a Chinese Navy delegation led by Vice Admiral Zhang Lianzhong, commander of the Chinese Navy. He said: Tunisian-Chinese relations are very good. The two countries trust each other, and their cooperation is sincere and selfless. He indicated that he is concerned about everything taking place in China. He praised China for taking wise, effective, and safe measures for economic reform.

Karoui also said: Tunisia and China are peace-loving countries. Both countries advocate that all countries and their people are equal and that the people of all countries have the right to determine their own affairs. The two countries have almost identical views on the Middle East issue and other major international issues.

Tunisian Defense Minister Abdelaziz Ben Dhia and Tunisian Navy Chief of Staff Mohamed Chedli Cherif participated in the meeting. An Huihou, Chinese ambassador to Tunisia, was also present.

#### Shandong Official Meets Sri Lankan Delegation

SK2606100592 Jinan DAZHONG RIBAO  
in Chinese 20 May 92 p 1

[Text] On the afternoon of 19 May, at the Qilu Guesthouse in Jinan, Guo Changcai, vice governor of Shandong Province, met with the delegation of specialists from Sri Lanka.

The current visit of the seven-member delegation from Sri Lanka's Western Province is aimed at observing Shandong Province's situation in agriculture, agricultural machines, technology, aquatic products, and mining and processing of mineral products in order to define the areas relating to economic and trade cooperation between the two provinces.

During the reception, Vice Governor Guo Changcai briefed the guests on the province's situation in developing agriculture, aquatic products, and mineral industry, and answered the questions with which the guests are concerned. The Sri Lankan guests will also go to Taian, Qufu, Qingdao, and Yantai to visit and observe.

#### Lockerbie Case, U.S.-Libyan Relations Viewed

OW2606082892 Beijing XINHUA in English  
0732 GMT 26 Jun 92

[By Gong Zhenxi]

[Text] Tripoli, June 26 (XINHUA)—Libya seems optimistic about a peaceful solution to the Lockerbie crisis after the General People's Congress adopted a resolution on the issue.

The General People's Congress, a rough equivalent to parliament, decided Tuesday that Libya would "not object" to a trial at a "fair and just" tribunal through the Arab League or the United Nations of its two nationals suspected of bombing a U.S. passenger plane over Lockerbie, Scotland in 1988.

Diplomatic sources here said that the decision came after weeks of discussions by the basic popular congresses and continuous contacts between Libya and the parties concerned with the case.

Foreign Minister Ibrahim al-Bichari told XINHUA that the decision constitutes a real "real beginning of a solution to the Lockerbie crisis."

He described the decision as "serious and flexible," adding that a solution to the case will be "peaceful and negotiable."

The United States and Britain, however, have rejected the Libyan decision, but in a moderate tone.

According to diplomatic sources, a number of senior Libyan officials have visited the United States, and contacts between the two sides have been under way since the beginning of this month to find a way out of the Lockerbie crisis.

The British Broadcasting Corporation (BBC) reported that Libyan Foreign Minister al-Bichari left Tripoli Wednesday for the United States, but the report cannot be immediately confirmed.

Observers noted that the U.N.-imposed air and arms sales sanctions on Libya have affected the country's economy. In an effort to lift the sanctions, Libya is anxious to find a face-saving solution to the Lockerbie crisis.

Meanwhile, the United States has failed to muster the necessary votes for a new security council resolution imposing further sanctions against Libya as a number of countries are turning down the U.S. lobbying out of considerations of their own interests.

Arab diplomatic sources in Tripoli said the Arab states have made it clear to the U.S. over the past weeks that imposition of further sanctions against Libya will be tantamount to sanctions against many Arab states other than Libya. And they have informed Washington that they deem it hard to support such sanctions.

European countries, particularly Britain, seem less enthusiastic about imposing even stringent sanctions against Libya as Tripoli has announced its commitment to implementing Security Council Resolution 731 and denounced terrorism of all forms and pledged to break



ties with all terrorist organizations. In a goodwill gesture Tripoli even provided information to Britain about the Irish Republican Army.

The United States and Britain want to have the two suspects tried in either of the two countries. Although the congress resolution has agreed to trial in a "fair and just" court but it does not say which country or when the two suspects will be tried. It is still not clear how the Lockerbie case will be solved.

### Sub-Saharan Africa

#### Ivory Coast Envoy Notes Yang Shangkun Visit

OW2606033592 Beijing XINHUA in English  
0256 GMT 26 Jun 92

["Yang's Visit To Have Big Impact on Sino-African Ties; Ivory Coast Ambassador"—XINHUA headline]

[Text] Beijing, June 26 (XINHUA)—The ambassador of Ivory Coast to China said the upcoming visit by Chinese President Yang Shangkun to three African countries is "historic" and will have a great impact on the development of relations between China and Africa as a whole.

Yang is to pay a state visit to Morocco, Tunisia and Ivory Coast from June 29 to July 11.

The ambassador, Anet-N'zi Nanan Koliabo, told XINHUA that the current development of relations between China and African countries will go down in history.

He viewed Yang's trip to Ivory Coast as indicating that China, a permanent member of the UN Security Council and a country whose role in international affairs is far from negligible, shows special concern for Ivory Coast, as well as for black Africa south of Sahara as a whole.

Anet noted that this is the first visit to the region by a Chinese president, and the trip will be made during a transitional period in which both Ivory Coast and China are making efforts to establish a new international political and economic order.

Under the current international situation, Anet said, it is necessary for countries which share common interests to hold consultations.

Therefore, he added, proper attention should be paid to the forthcoming meeting between President Yang and President Felix Houphouet-Boigny, a senior statesman among the heads of African countries.

Anet-N'zi said Yang's visit also conveys a message to the people of the world, that is, that China wants peace, not war. This is also shown by China's relations with its neighboring countries, he noted.

Ivory Coast and China enjoy good relations, the ambassador said, and Yang's visit is the best expression of such a good relationship.

In addition, he said, the exchange of visits between governmental officials, politicians, leaders of trade unions, women's organizations and personages from the press circles of the two countries have also shown how friendly the relations are.

Anet-N'zi added that the two countries have signed a series of economic agreements.

He said that the two governments have made it clear that they are keen to constantly improve and strengthen bilateral ties.

It can be predicted that after the president's visit, bilateral relations, especially cooperation for mutual benefit, will be strengthened and will become more vigorous, Anet-N'zi said.

### West Europe

#### EC Summit To Attempt To Dispel Treaty Doubts

OW2506234892 Beijing XINHUA in English  
1853 GMT 25 Jun 92

[Roundup by Yang Yuanhua: "EC Leaders Try To Dispel Doubts for Maastricht Treaty"]

[Text] Lisbon, June 25 (XINHUA)—State and government leaders of the European Community will converge on Lisbon tomorrow to begin intense talks on thorny and complicated issues of European construction in response to the challenges from instability in Europe and U.S. and Japanese competitions.

Danish referendum on June 2 rejecting the Maastricht Treaty has led to growing skepticism about European union and particularly the question of how much power should be vested in EC institutions, putting the survival of the treaty in danger.

The somber mood hanging over the European capitals has forced EC leaders to rethink on the flaws of the Maastricht Treaty and the ways to implement it.

Forced to close ranks, EC leaders are expected to make concessions for compromise in a bid to dispel public fears and skepticism. They believe European unity remains a cornerstone of prosperity and development of their own countries. Therefore these leaders are expected to make clear their political will to go ahead with the process of the ratification of the Maastricht Treaty and put aside the differences on major issues.

On the eve of the EC summit, EC Commission President Jacques Delors told a news conference that the agenda would be the issues on EC budget package, enlargement of the community, the principles of "subsidiarity" and common foreign and security policies, etc.

On the issue of enlargement of the community, Germany and Britain have always supported European Free Trade Association (EFTA) countries' bid for membership, while France has shown little enthusiasm. Some EC

officials fear that the entry of EFTA countries would bring decision-making to a halt unless, at the same time, EC institutions were strengthened.

Britain replied that such reforms should wait for the treaty revision due in 1996 while France and Germany backed the European Commission proposals.

Delors said on Wednesday that this weekend's EC summit would agree to open membership negotiations early next year with EFTA countries who want to join the European Community. But he said there would be two conditions: negotiations could start only once all EC members have ratified the Maastricht Treaty on Economic and Political Union, recently rejected by Denmark in a referendum, and once the financial reforms needed to finance it have been agreed.

EC's budget for the five years starting in 1993 is a thorny issue dividing EC countries. In February the EC Commission unveiled a plan that would raise the ceiling on EC spending from its current level of 1.2 percent of the community's GDP to 1.37 percent in 1997. Poorer countries such as Spain, Ireland, Portugal and Greece have welcomed the plan. But other governments view it as over-extravagant, rejecting an increase of their contributions to the package.

Anibal Cavaco Silva, the Portuguese prime minister, who will chair the summit, wants agreement on budgetary principles rather than numbers, lest the atmosphere turn sour. It was reported that in case of uncertainty of the Maastricht Treaty's future, EC leaders are likely to strike a final deal at next December's summit.

On the issue of "subsidiarity," there are sharp differences among EC member countries. The EC Commission is expected to hand back to national governments some of the powers now held by the European Community. The summit is likely to make a clear definition on the principle of "subsidiarity" and leave it to the next summit in concrete terms.

Observers here hold the summit will not take important decisions to avoid the negative impact on the process of the ratification of the Maastricht Treaty. The key note of the summit is to dispel doubts and make concessions for ratification of the treaty.

#### Further on Summit

OW2606000292 Beijing XINHUA in English  
2317 GMT 25 Jun 92

[Roundup by Yang Yuanhua: "Community Enlargement, Budget Issues To Top EC Summit Agenda"]

[Text] Lisbon, June 25 (XINHUA)—Future enlargement of the European Community (EC) and budget issues are expected to top the agenda of the Lisbon summit when EC leaders meet on June 26.

Britain's aim to speed up enlargement of the EC is likely to be thwarted by other member countries which insist that the Maastricht Treaty and the EC budget increase should be approved first.

Addressing the Lisbon summit's big themes, European Commission President Jacques Delors predicted the meeting would set concrete guidelines for financing settlement by the end of the year.

The Lisbon summit, Delors forecast, would agree that entry negotiations with European Free Trade Association (EFTA) states could start once the EC reached budgetary agreement and ratified the Maastricht Treaty. Other applicants and potential applicants in Eastern Europe would have to wait.

By contrast, in his pre-summit letter to fellow leaders, Anibal Cavaco Silva, the Portuguese prime minister, who will host the summit meeting, saw a budget settlement as the EC's only precondition for opening enlargement talks. He did however stress the importance of consolidating Maastricht decisions.

But British Prime Minister John Major is expected to argue that Maastricht does not stimulate [word as received] that approval of the treaty must be given before negotiations with the candidate countries get under way.

British officials Wednesday stressed their belief that Maastricht ratification need not be wrapped up before talks with EFTA countries begin.

That has sown the seeds for a fierce debate between EC leaders in Lisbon, although the final decision on funding the community would not be taken until December's Edinburgh summit.

In spite of the opposition of the poorer countries, no deal is likely at Lisbon on the proposed five-year EC budget that the commission believes should include a doubling of aid to the poorer members and more support for European industry.

The EC leaders flew to Lisbon Thursday to try to assert their backing for political and economic union because their aims have suffered several setbacks, including Denmark's rejection of the Maastricht Treaty, divisions over EC budget package and the shadows cast by the Yugoslav crisis.

These hot potatoes—EC enlargement and budget—will pass to the British Government, which takes over the EC presidency from Portugal at midnight on Tuesday, and may not be resolved before the Edinburgh summit in December.

**Political & Social****Returning Defector Arrested, Given Prison Term***HK2606102892 Hong Kong AFP in English  
0936 GMT 26 June 92*

[Text] Taipei, June 26 (AFP)—A court in China sentenced Friday a former air force pilot who defected to Taiwan to 15 years in prison, newspapers reported here.

The sentence was handed down by a Qingdao court to Li Hsieh-pin, 54, who was arrested by Chinese authorities on December 16 after returning to the northern city to see his ailing mother, 27 years after defecting to Taiwan.

His trial Thursday was conducted "in secret," the UNITED DAILY EVENING NEWS said.

The court said Li was guilty of treason for having taken to Taiwan in 1965 a Soviet-built bomber and 58 confidential documents, the paper said.

Li, who heard the verdict in person, was also deprived of his civil rights for five years. His wife, Pan Lieh-hua, told reporters that she would appeal the "unfair" ruling to a higher Chinese court.

She criticised Chinese authorities for banning Taiwan lawyers from representing her husband and turning down her repeated requests to see him.

Li was awarded 5,000 taels (6,500 ounces) of gold for flying the military aircraft to Taiwan, bastion of the ruling nationalist Kuomintang, the Beijing government's bitter rival.

Of the three officers aboard the bomber, one was killed and the other was injured upon landing.

Li was later discharged from Taiwan's air force and had lived in Canada before returning to the mainland.

**16 Executed for 'Compromising Military Research'***HK2606094492 Hong Kong AFP in English  
0803 GMT 26 June 92*

[Text] Beijing, June 26 (AFP)—Sixteen people were executed in southwestern China's Sichuan Province for compromising military research, a report received here Friday said.

Authorities in the provincial capital Chengdu announced the death sentences at public meetings June 9 and 10 and the convicts were taken immediately afterward to execution grounds, the SICHUAN LEGAL NEWS said.

Capital punishment was handed down to ensure the "smooth implementation of national defense research" and to protect "important state telecommunication lines," the newspaper said without providing further details.

Sichuan is a major base for military production and research and is the site of China's commercial satellite launch center.

The Sichuan authorities executed a farmer one year ago for masterminding the theft of five telecommunication cables from the launch center at Xichang.

The theft came just one day before China successfully launched its first satellite for a foreign client, nearly thwarting the nation's entry into the world market.

The satellite, the Asiasat-1, is owned by a Hong Kong consortium.

**Li Peng 'Satisfied' With Harbin Trade Fair***SK2606000192 Harbin Heilongjiang People's Radio  
Network in Mandarin 1000 GMT 24 Jun 92*

[Text] Premier Li Peng was very glad and satisfied with the achievements made during the Third China Harbin Border and Local Economic Trade Fair. Premier Li Peng said that the economic and trade relations between China and the former Soviet Union and East European countries are under restoration and good progress. This was relayed by Shi Guangsheng, assistant minister of the PRC foreign economic relations and trade, at the plenary session of the leading committee for the trade fair on the afternoon of 24 June.

On the afternoon of 24 June, the leading committee held a plenary session to hear Vice Governor Du Xianzhong's report on the overall trade fair situation. Shao Qihui, governor of the provincial government; and Shi Guangsheng, assistant minister of the PRC foreign economic relations and trade, spoke at the plenary session.

The session maintained: With the positive efforts made by various trade delegations, the trade fair was satisfactorily and successfully held and made worthwhile achievements. As of 1700 on 23 June, 1,929 trade and economic and technological cooperation contracts were signed. The contracts involved \$6.29 billion, a 135 percent increase over the last trade fair's figure. Of this, trade contracts involved \$5.51 billion, an increase of 175 percent; and the 87 economic and technological cooperation contracts involved \$780 million, an increase of 14.7 percent. This trade fair displays China's potential for pioneering the international market.

Governor Shao Qihui expressed thanks to the Ministry of Foreign Economic Relations and Trade and brotherly provinces and municipalities for their great support to the trade fair.

He said: In 1992 and 1993, the Heilongjiang Provincial Economic and Trade Committee will organize and send more groups to the CIS to conduct investigations and hold trade fairs in order to (create conditions for brotherly provinces and municipalities to conduct economic and trade cooperation)



In his speech, Governor Shao pointed out the wrong practice of some individual foreign trade personnel monopolizing visiting businessmen.

On the morning of 24 June, the provincial government made a decision on paying back the [words indistinct] taxes to the trade groups that did not conclude a transaction.

In his speech, Shi Guangsheng, assistant minister of the foreign economic relations and trade, spoke highly of the achievements made during the trade fair. He said: We will continue to support Harbin trade fairs in the future. [sentence indistinct]

Shi Guangsheng urged that various delegations would pay attention to honoring the agreements signed during the trade fair and strive to achieve a good reputation in CIS and East European markets.

**Li Ruihuan Lifts Ban on 'Bourgeois Liberal' Book**  
*HK2606030792 Hong Kong SOUTH CHINA MORNING POST in English 26 Jun 92 p 12*

[By Willy Wo-lap Lam]

[Text] A top protege of patriarch Mr Deng Xiaoping has intervened to lift the ban on a controversial book that attacks remnant Maoism.

Chinese sources said politburo member Mr Li Ruihuan had used his influence to "rehabilitate the reputation" of Trends of History, an anthology of articles by "bourgeois liberal" intellectuals.

Trends, which was published early last month by the People's University Press, urges the party to go whole hog with Mr Deng's anti-leftist campaign.

It was banned soon afterwards by hardline ideologues in units including the People's University party committee, the State Education Commission, and the News and Publication Administration (NPA).

Two weeks ago, Yuan Hongbing, the editor of Trends and a legal scholar at Beijing University, took the unusual step of suing the People's University party committee and NPA.

The Beijing court referred the case to the politburo member in charge of legal and security matters, Mr Qiao Shi, who in turn passed it on to Mr Li, whose portfolio is ideology and propaganda.

Chinese sources said while the court was still "studying" the case, Mr Li had used his influence to lift the ban.

"The leaders of the People's University party committee have back-tracked," a source said.

"They are now saying that they have never banned the book, and that only individual members on the committee have in their private capacities suggested that circulation of the book be restricted."

Despite the ban, the first 30,000 copies had all been distributed, and the editorial committee was thinking of putting out a second edition.

Analysts said in the runup to the 14th party congress, Mr Li wanted to ensure that more intellectuals would speak out in support of Mr Deng's reforms.

Meanwhile, the special economic zone (SEZ) of Shenzhen has continued to stake out its reputation as the one locality that is "boldest" in pushing Mr Deng's agenda.

Municipal departments are putting up today a 300-square-metre billboard in downtown Shenzhen glorifying the patriarch's contributions to reform.

According to the semi-official Hong Kong China News Agency, the poster shows Mr Deng "giving instructions on how the country should be run" while touring Shenzhen's botanical garden in January.

The inscriptions on the billboard were words spoken by Mr Deng when he was in the zone in 1984: "The development and experience of Shenzhen has proven that our policy of building up the SEZs is correct."

China analysts said unlike the late Chairman Mao Zedong, Mr Deng had forbidden billboards and similar propaganda material to be made about himself.

But they said the Deng faction was unhappy about how propaganda organs in Beijing had been reluctant to propagate Mr Deng's line.

Recently, Mr Deng's family and aides have asked officials in Shanghai and in the coastal cities to aggressively "make propaganda" for Mr Deng's fast-paced reforms.

**Qiao Shi, Cai Cheng at Awards for Prison Warders**  
*OW2606065692 Beijing XINHUA in English 0644 GMT 26 Jun 92*

[Text] Beijing, June 26 (XINHUA)—Two hundred warders were awarded today for their excellent performance in educating and reforming prisoners on a personal basis.

There are various ways of educating and reforming prisoners in China, including setting up special schools for them and inviting help from noted figures in society or relatives of prisoners.

But Chinese Minister of Justice Cai Cheng said at today's awarding ceremony that the education of prisoners on a personal basis is one of the basic and effective forms to reform criminals in China.

Earlier the ministry had asked all the prisons across the country to work out relevant systems in recording, examining, rewards and penalties to ensure the smooth implementation of education to prisoners on a personal basis.

Prison authorities also asked the warders to explore new ways in conducting psychological testing, counseling and correction for prisoners on a case by case basis in order to improve the effects of the education.

The award ceremony held today in the Great Hall of the People is the first of its kind in China. More than 20 provinces had held similar ceremonies at the provincial level previously and nearly 1,500 warders had been given awards.

Qiao Shi, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, met all the delegates to the ceremony this morning in the Great Hall of the People.

#### **Li Tieying Attends Shandong Education Seminar**

*OW2306114592 Beijing Central Television  
Program One Network in Mandarin 1100 GMT  
22 Jun 92*

[From the "National News Hookup"]

[Text] From 16-20 June, Li Tieying, member of the Political Bureau of the CPC Central Committee, state councilor, and minister of the State Education Commission, inspected the progress of education reform and presided over a seminar entitled, "Better Education for the People," sponsored by the State Education Commission, in Shandong.

After inspecting 991 schools in 16 prefectures and cities with personnel from 16 investigation groups of the State Education Commission, Comrade Li Tieying pointed out: The tasks for the educational front in the 1990's are: The full implementation of the party's educational principles and the all-around enhancement of the quality of education. In education, our main concerns are orientation, reform, and development. As far as Shandong is concerned, the development of education should be geared to serve the socialist modernization drive; economic construction; and the prosperity, civilization, and well-being of the people. Experiences gained in Shandong reflect the basic orientation of socialist education with Chinese characteristics. [video shows Li, accompanied by unidentified officials, entering a classroom where he speaks to students]

During the seminar, provincial government leaders from Shandong, Henan, and Anhui, as well as responsible comrades of provincial education committees, reported the progress made in educational development and reform in their respective provinces. They also exchanged views, and explored new ideas and ways to further develop education and enhance its quality with a view to serving economic construction through the close linkage of the two. [video shows Li speaking at the seminar]

#### **Further on Seminar**

*SK2506071592 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 20 Jun 92*

[Text] The seminar sponsored by the State Education Commission on successfully conducting education for the people concluded in the city of Jinan on 20 June. Attending the seminar and delivering important speeches were Li Tieying, member of the CPC Central Committee Political Bureau, Councillor of the State Council, and acting minister of education; and Jiang Chunyun, secretary of the Shandong Provincial CPC Committee. Also attending the seminar were Liu Bin, Wang Mingda, and Zuo Shiyun, vice ministers of education; leading comrades from the provinces of Henan, Anhui, Liaoning, Hebei, and Jiangsu, including Fan Qichen, Du Yijin, Zhang Rongmao, Gu Erxiong, and (Wang Zhan); leading comrades from the Shandong Provincial CPC Committee and the provincial people's government, including Ma Zhongcai, Han Xikai, Dong Fengji, Song Fatang, and Ma Changhui; and all members of the investigation and study groups dispatched by the State Education Commission to Shandong province. The 65-member investigation and study group organized the State Education Commission and headed by Comrade Liu Bin, vice minister of education, has carried out overall investigation of the work done by Shandong province in successfully conducting education for the people. The investigation and study group was divided into 16 teams that went to 133 counties and county-level cities of 16 cities and prefectures across the province to carry out investigation and study. These teams went to 16 counties and county-level cities to carry out investigation and study key educational issues, successively went to 323 townships and towns and 959 schools, and sponsored 174 forums. This has been the investigation and study activity organized for only one province by the State Education Commission over the past few years, which is with the largest scale, the highest standard, and the widest range of investigations.

According to the dispatches of reporters from the report-back meetings held in the city of Jinan on 18 and 19 June, these investigation and study teams have generally contended that over the past dozen years of reform and opening up, more than 84 million people throughout Shandong province have earnestly implemented the party's basic line; had various undertakings achieve prosperous development by wholeheartedly engaging in building socialist modernizations; and created the fastest and best stage of economic development since the founding of the PRC. Particularly since the issuance of important directives given by Comrade Deng Xiaoping during his inspection tours in the south, the province as a whole has created a new situation in which the people are actively making progress; pioneering the road of advance; creating something new; and accelerating the pace of reform, opening up, and economic construction. The prosperous development of economic undertakings

has promoted the steady progress of educational undertakings and created many new experiences for educational reform and development.

Prior to the seminar, Comrade Li Tieying came to Shandong province accompanied by comrades, including Jiang Chunyun and Zhao Zhihao, and carried out investigation and study in the Shandong provincial experimental middle school, the fifth Jinan city vocational middle school, the Jinan city kindergarten-teacher training school, the Jinan city watch factory, the Langchao enterprise group general company, and Qinghe village in Jinan city.

During the seminar, Li Tieying delivered an important speech in which he said that the essence of the experience gained by Shandong province in conducting educational reform and development is to have education serve the socialist modernization; the local economic construction; and the construction of wealth, happiness, and civilization for the vast number of people. The advanced experience gained by Shandong province in educational development should be summarized and popularized. Its advanced and typical experience must be publicized. By no means should the experience be enjoyed by just one province. The experience should be adopted by thousands upon thousands of localities or by all localities in the country. Tasks faced by the education front in the 1990's are to implement the party's educational guideline and to upgrade the educational quality in an all-round way. The education front should grasp the three issues: orientation, reform, and development.

During the seminar, Jiang Chunyun, secretary of the Shandong provincial party committee, also delivered a speech in which he said that the large-scale investigation and study activity organized and conducted by the State Education Commission among the cities and prefectures of our province and the seminar also sponsored by the State Education Commission in Jinan city have greatly encouraged our province with regard to successfully educating the people. Our province's original educational and economic foundations were relatively poor. Since the Third Plenary Session of the 11th CPC Central Committee, the province has achieved great development in the economy and made greater progress in education. However, it still has many problems, such as the shortage of educational funds and teachers, which restricts educational development. The major reason for these problems lies with the leadership, which lacks sufficient understanding of the importance of education. It is right for some comrades to attach importance to carrying out industrial and agricultural projects, but they have not attached such importance to education. In fact, without educational development, it is impossible for us to make progress in science and to upgrade the quality of laborers. Without scientific and technological progress and the upgrading of laborers' quality, it is impossible for us to achieve rapid economic development and to modernize. To achieve development in education, we should upgrade our understanding of education and improve the quality of people through great efforts to

develop education in order to promote the leap forward of technology and the economy. Efforts should be made to earnestly improve the shortage of educational funds and teachers, to vigorously popularize the typical experience gained in this regard, to enable the advanced experience to be adopted by all localities throughout the country, and to greet with actual deeds the convocation of the 1993 national on-site conference on successfully conducting education for the people.

During the seminar, the province's comrades, including Vice Governor Song Fatang, informed the participants on the province's situation in the economy and education. The participating leading personnel in charge of education work from the people's governments of Henan, Anhui, Liaoning, Hebei, and Jiangsu provinces also delivered reports on their own situation in educational reform and development. All participating comrades mutually discussed the ideas and experience for conducting educational reform to develop educational undertakings, to upgrade the educational quality, to closely integrate education with the economy, and to serve the economic construction.

#### Beijing Forum Marks International Antidrug Day

OW2506120292 Beijing XINHUA in English  
0957 GMT 25 Jun 92

[Text] Beijing, June 25 (XINHUA)—China's National Narcotics Control Commission (NNCC), which involves 20 party and government administrations, held a symposium here today to mark the fifth international day to combat drug abuse and illicit trafficking.

The 42nd U.N. General Assembly in 1987 passed the bill to designate June 26 each year as the international day to combat drug abuse and illicit trafficking.

Leading officials from the 20 party and government departments gave accounts of their efforts to fight drugs in the past year at the seminar.

Yu Lei, vice-minister of public security, said that Chinese police strengthened their investigations in the past year, and severely cracked down on the smuggling, trafficking, transport, and production of drugs.

In 1991, Chinese police handled 8,344 drug cases, involving 18,479 drug dealers, 829 of them were from overseas. A large amount of drugs, including more than 1,900 kilograms of heroine, has been confiscated. At the same time, more than 3 million opium poppies were rooted out.

Qian Guanlin, deputy director of the China General Administration of Customs, said that the majority of the drugs smuggled in recent years were heroine, marijuana and psychodelic substances.

They were mostly carried by tourists or by cargo transportation and maritime transportation. And smugglers, in addition to those from Hong Kong, Taiwan and the



Chinese Mainland, were also found from such countries as the United States, Britain, Germany and others.

From January to May, customs had already discovered 12 drug smuggling cases, and confiscated 76 kilograms of narcotics.

Officials from the departments of justice and civil affairs reported that China has detained more than 10,000 drug addicts for education through labor. It has established 232 curing centers, which have so far treated a total of 41,227 drug addicts.

To raise the effect of stopping drugs, many centers have prolonged their treatment duration from 60 to 90 days.

Jin Tongzhen, deputy director of the China Pharmaceutical Administration, said at the symposium that his administration, cooperating with the public health department, has undertaken strict management of the production, distribution and storage of the anesthetic and psychedelic pharmaceuticals, so that they will not go into illegal channels.

In 1991, drug addicts registered by Chinese police were 148,539 persons, most of them were peasants, workers, jobless persons and private businessmen, and more than 80 per cent of them were young people.

Experts here hold that although China has achieved remarkable progress in drug fighting, the problem is still severe, with increasing drugs flowing in from outside the Chinese mainland. It's also a difficult task to control the spreading of drug abuse, and to wipe out illicit planting of those plants for producing narcotics.

#### State Councillor Wang Fang Comments

OW2506081292 Beijing XINHUA in English  
0723 GMT 25 Jun 92

[Text] Beijing, June 25 (XINHUA)—The Chinese people, who suffered from the scourge of opium brought in by the British imperialists in the last century, will not allow history to repeat itself.

These are the words of Wang Fang, state councillor and head of the National Narcotics Control Commission, carried in an article in today's PEOPLE'S DAILY to mark the international day against drug abuse and trafficking, which falls tomorrow. Wang noted that the Chinese Communist Party and the People's Government began a massive anti-drug campaign soon after 1949, when the People's Republic was founded.

It freed 20 million drug addicts through education and compulsory measures while rooting out opium poppies from 1 million ha [hectare] of land, thus making China the only country in the world free from the scourge of drug trafficking and drug abuse.

But it was not until the 1980s, when international drug smugglers took advantage of China's reform and open

policy and its geographical proximity to the "Golden Triangle," a major source of drugs, to bring drugs into China again.

The Chinese Government treats this problem very seriously, bearing in mind the past suffering in China brought about by opium. The State Council, the country's highest governing body, set up a National Narcotics Control Commission consisting of leading officials of 16 ministries and commissions in November 1990.

The Standing Committee of the National People's Congress approved a decision on narcotics control in December the same year.

So far, drug control organizations have been set up in most provinces and autonomous regions as well as cities and counties where drug smuggling has been most rampant. In addition, publicity drives have been launched to mobilize the broad masses of the people to participate in the anti-drug campaign.

Statistics show that, altogether, 8,080 criminals involved in drug dealing have been rounded up, and 5,285 of them punished.

While pronouncing the death penalty for drug dealers, Yunnan and Guangdong Provinces have set fire to huge piles of confiscated drugs before tens of thousands of people. The billowing smoke and the raging flames indicate the firm determination of the Communist Party and the government to arouse the fighting will of the masses and deal a heavy blow to drug dealers both at home and abroad.

Wang noted that the Chinese Government also attaches special importance to international co-operation to stamp out the sources of illicit drugs.

In this regard, China has concluded an agreement of co-operation with the union of Myanmar [Burma] and the United Nations to check drug trafficking in the region and eliminate the sources of drugs in northern Myanmar.

China is resolutely carrying out its duty to eliminate drug trafficking internationally, according to Wang.

However, he pointed out, there have been absurd reports in newspapers in the United States, that China is not playing its part in international efforts to stamp out drug trafficking.

It is known to all, he said, that China does not produce heroin and is a victim of trans-regional drug smugglers. Over the past few years, the country has confiscated large shipments of heroin, including some destined for the United States.

According to Wang, the Chinese Government always maintains that, to carry out international co-operation in the field of the battle against drug trafficking, the countries concerned must adhere to the principles of mutual



respect for sovereignty, mutual non-interference in each other's internal affairs, equality and sincere co-operation.

He indicated that China will persistently boost friendly co-operation with countries, including the United States, in the effort to eliminate drug trafficking, and it will continuously make contributions in this field.

#### Customs Acts Against Growing Drug Trafficking

OW2506133092 Beijing XINHUA in English  
1311 GMT 25 Jun 92

[Text] Beijing, June 25 (XINHUA)—Smugglers from the "Golden Triangle" and "Golden Crescent," the notorious opium and heroin producing centers in South Asia, are giving Chinese customs officials a big headache by shipping an increasing amount of their cargo through China.

Recent years have seen a sharp increase in international drug trafficking through China's territory and Chinese customs officers have nabbed drug traffickers from the United States, Britain, Germany, Myanmar [Burma], Thailand, the Philippines, Pakistan, and Nepal as well as those from Hong Kong and Taiwan, a spokesman from the China State Administration of Customs said here today.

"At least 31 customs houses throughout the country have seized drug traffickers," the spokesman said. "Chinese customs seized 255.28 kilograms of drugs in 1991 and 76.44 kilograms of drugs in the first five months of this year."

Last year, the amount of drugs seized by China's customs was four times higher than the previous year, the spokesman said. Recently, Kunming customs in Yunnan Province seized 61.5 kilograms of heroin in less than a week's time.

The Chinese official warned against the growth of an organized and professional crime ring in drug trafficking, which was characterized by the collaboration between the Chinese traffickers and their overseas counterparts.

"The drug traffickers are using every imaginable way to carry drugs," the official noted. "For example, they carry drugs through passengers, hide drugs in cargo or smuggle drugs through the high seas with armed escorts."

The drug traffickers, who disguise themselves as tourists, bind drugs around their bodies, hide drugs under the bottom of thermos cups or in shoe heels, or even dissolve them in chemical solutions and bottle them as shampoo, according to the spokesman.

Chinese customs has recently taken a number of new measures to crack down on trafficking. In addition to enlarging the number of anti-drug trafficking personnel,

some customs houses have now been equipped with drug-smelling dogs and drug-testing laboratories, the spokesman said.

Customs has also strengthened its ties with Thailand, Myanmar and Japan as well as Hong Kong in the fight against drug trafficking. Last year, Japanese customs, working on information provided by Chinese counterparts, cracked a drug trafficking case involving some British citizens.

#### Further on Continuing CPPCC Committee Session

##### Zhu Senlin Views 4 'Small Dragons'

HK2406145792 Beijing ZHONGGUO XINWEN SHE  
in English 1425 GMT 24 Jun 92

[Text] Beijing, June 24 (CNS)—The Governor of Guangdong Province, Mr. Zhu Senlin, speaking today at the 20th Session of the 7th National Committee of the Chinese People's Political Consultative Conference, said that the aspiration by Guangdong to overtake the "four small dragons" of Asia, namely Hong Kong, Taiwan, Singapore and South Korea, within 20 years was faced with many difficulties in spite of great hopes for success.

Mr. Zhu said that generally speaking the advantages outnumbered the disadvantages. Judging from the domestic situation, Mr. Zhu noted, the rapid pace of reform and openness [as published] offered a favourable situation and environment. After 13 years' reform and massive construction, the province boasted a quite strong material and technological foundation which promised strength for economic development. The fledgling formation of an export economic layout sped up economic links and cooperation between Guangdong and the international community. As reform which was centered on the fostering and development of a socialist market system deepened, a new mechanism in the national economy preliminarily came into being featuring self-accumulation and self-development with great development of the productive forces. Construction of infrastructural facilities such as energy, communications and transport along with social stability has created a better investment environment and better living conditions.

Mr. Zhu pointed out that Guangdong's special advantages as the neighbour of Hong Kong and Macao, its many overseas Chinese and more preferential policies granted by the central authorities would be further developed. Moreover, after 13 years of reform and opening up, a pioneering, realistic and creative spirit has become deeply rooted among the people and leadership of various levels, thus laying a sound ideological and organizational foundation for overtaking the "four small dragons."

Mr. Zhu pointed out that Guangdong is facing a number of problems and difficulties in the process overtaking the "four small dragons." First, irrational industrial structure with a small proportion of tertiary industry and

infrastructural facilities such as energy, communications and transportation still lagging behind the needs of economic development. Second, uneven development among different localities with the contradiction between fast development in the coastal region and slow development in the hinterland and mountainous region quite obvious. Third, the big shortage of construction funds. Fourth, weak scientific and technological forces.

### Session Closes

OW2506154792 Beijing XINHUA Domestic Service  
in Chinese 1132 GMT 25 Jun 92

[By reporters Zou Aiguo (6760 1947 0948) and Sun Yong (1327 0516)]

[Text] Beijing, 25 June (XINHUA)—The three-day 20th session of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC] closed this afternoon after group discussions. Focusing on studying and implementing Comrade Deng Xiaoping's important talks and the guidelines set by the meeting of the CPC Central Committee Political Bureau, the Standing Committee members had heated discussions about accelerating China's reform and opening programs. They also put forward numerous views and suggestions.

The Standing Committee members expressed profound grief over the death of Comrade Li Xiannian, chairman of the National CPPCC Committee. They said that Chairman Li Xiannian, during his revolutionary life which lasted more than six decades, contributed immortal service to the party, the people, and the revolutionary cause; and that he also had contributed exceptionally to strengthening the solidarity of all parties, people of all nationalities, and people in all walks of life; to consolidating and developing the patriotic united front; to promoting mainland-Taiwan contacts; and to promoting national reunification. They said: We must turn grief into strength, earnestly emulate Comrade Li Xiannian's revolutionary spirit and noble characters, rally closely around the CPC Central Committee with Comrade Jiang Zemin as the core, and exert unremitting efforts in building a socialist society with distinctive Chinese characteristics.

In their discussion, the Standing Committee members pointed out: To speed up reform and opening up, it is important to implement the guidelines in Comrade Deng Xiaoping's talks and emancipate our minds. We are immensely inspired by the reports given by responsible comrades of the State Economic Restructuring Commission and of Shanghai, Guangdong, and Dalian about the progress they have achieved in carrying out reform and opening up to the outside world. Ever since the reform and opening up policy was adopted 13 years ago, China has achieved significant success in its economic construction. Our modernization drive certainly can reach

an even higher level as long as we continue to emancipate our minds, change our views, act with even greater daring, make greater strides, seek truth from facts, and do our jobs earnestly.

The Standing Committee members maintained that, as China's economic development and reform and opening endeavors have already reached a new stage, the country needs to further improve its economic operations and create an even better environment so that reform can proceed even faster and the country can open wider to the outside world. Currently, special attention should be directed to enterprises' restructuring, which must proceed faster. They should have greater autonomy, they must replace their operating mechanisms and gear their operations to market needs. To speed up the process of restructuring enterprises, special efforts should be made to handle properly the relationship between enterprises and the government, and the government should stop intervening with enterprises' legitimate production and operation.

The Standing Committee members pointed out that the experiences that the Capital Iron and Steel Company has gained in contracting production projects should be further summed up and propagated. They said the course that the company follows in launching its reform and development projects is a right one and a good one. The company's growth shows that granting enterprises greater autonomy and the way—known as "supply more water for fish breeding"—can help enterprises operate with greater vitality and can help them develop more vital mechanisms facilitating their operation. The government and relevant departments should support our enterprises so that they can compete on the world market where there are many strong competitors.

During their group discussion, the Standing Committee members also discussed issues about speeding up the cultivation and development of a market system, speeding up the establishment of new structures in open regions so that they can open wider to the outside world, speeding up the change of the government's administrative and economic functions to meet the needs of reform and opening up, giving full scope to the roles of science and technology as being the primary productive forces so that tertiary industry can develop faster, and attaching great importance to spiritual construction.

### Continuing Reportage Marks Li Xiannian's Passing

#### Pudong Support Praised

OW2306142192 Beijing XINHUA Domestic Service  
in Chinese 1038 GMT 23 Jun 92

[Text] Beijing, 23 Jun (XINHUA)—The late Li Xiannian, chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], had very high hopes for the development of Shanghai's Pudong. During a group celebration of the

Spring Festival in Shanghai in 1991, he wrote the following message for comrades in Shanghai: "Develop Pudong, rejuvenate Shanghai, work practically, blaze a trail, and proceed."

Addressing the 20th Session of the Seventh National CPPCC Committee Standing Committee today, Shanghai Mayor Huang Ju said: The National CPPCC Committee has given great support to Pudong's development, and we particularly miss Chairman Li Xiannian today. We are determined to seize the current opportunities, exert genuine efforts to develop Pudong and rejuvenate Shanghai, and express our grief with actual deeds.

Huang Ju said: Shanghai's current economic development is very gratifying. The macroscopic environment for Pudong's development is very good, and we feel the situation is compelling us to press forward. The development of Pudong is a major project with the objective of rejuvenating Shanghai, bringing about an economic take-off in the Changjiang Delta, and revitalizing the Chinese nation. We are determined to work hard for several decades so that Pudong will become one of the world's best export-oriented, multifunctional, and modern districts; and so that Shanghai will stand tall in the western Pacific as an international, cosmopolitan city in the 21st century. Only by doing this can we live up to the expectations of the late Chairman Li Xiannian.

#### Cremation Set for 27 Jun

OW2506143892 Beijing XINHUA Domestic Service  
in Chinese 1053 GMT 25 Jun 92

[Text] Beijing, 25 June (XINHUA) —The remains of Comrade Li Xiannian, a great proletarian revolutionary, statesman, military strategist, staunch Marxist, outstanding party and state leader, and chairman of the National Committee of the Chinese People's Political Consultative Conference will be cremated in Beijing on 27 June.

To mourn for Comrade Li Xiannian, flags will be flown at half-mast at Beijing's Tiananmen, Xinhuaamen, the Great Hall of the People, the Ministry of Foreign Affairs, the seats of the various provincial, autonomous regional, municipal party committees, and governments, as well as the various border ports, external sea ports and airports, the Hong Kong and Macao branches of the XINHUA NEWS AGENCY and Chinese foreign embassies and consulates.

#### 'Declaration' of New Trademark Protection Body

HK2606042592 Beijing CHINA DAILY  
in English 25 Jun 92 p 6

["Declaration of the Renowned Trademark Protection Organization"—issued in Beijing; date not given]

[Text] The renowned trademark is a favourite in the present world market.

Everybody likes a household name. In the present atmosphere of reform and opening policy, the China Association for Promoting Journalism and Culture, the Organizing Committee of China Quality Travel and 45 enterprises producing renowned goods are sponsoring the first Renowned Trademark Protection Organization which is to be founded in Beijing.

Renowned trademarks are not mere words but also the hardearned fruit of the inventor's labour and intelligence.

Renowned trademarks have a spirit that reflects consumers' confidence, satisfaction and trust.

Renowned trademarks are enterprises' contributions to the society and are also their collective image and fame. They are powerful weapons in the fiercely competitive domestic and world markets.

Renowned trademarks are the pride of our national industry and our nation's wealth. Without these renowned trademarks as "diamonds" and "Pearls," it is impossible to make the "Crown" of our socialist modernization.

So it is unwelcome and even dangerous for renowned trademarks to decrease in number, to have lower quality standards or to be imitated. For the healthy development of the socialist commercial economy and for the best interests of enterprises, our country and people, it is necessary to protect these trademarks.

In light of this, we create the Renowned Trademark Protection Organization with related units and departments and we proclaim:

- A renowned trademark presents the inventor's intellectual copyright and is not violable.
- A renowned trademark and its possessor are protected by law. The promulgated Trademark Law of the People's Republic of China, Rules for the Implementation of the Trademark Law of the People's Republic of China, Patent Right Law of the People's Republic of China, Rules for the Implementation of the Patent Right Law of the People's Republic of China, Copyright Law of the People's Republic of China, Technological Contract Law of the People's Republic of China, Economic Contract Law of the People's Republic of China, and other international laws and treaties are our self-protection mechanism.
- Anyone who imitates the registered trademarks of the members of the Organization will be punished according to the appropriate stipulations and be exposed by the media.
- Both sellers and buyers should eye consumers and their demands as the first priority.
- All members of the Organization must adhere to the quality-first principle and support each trademark's fame with the best quality products. Any members



whose products are poorly made to deceive consumers, will be investigated and then helped to improve by the Organization.

- All members of the Organization must use their exclusive rights perfectly and develop new products using advanced scientific technology. The goal is to produce innovative goods and competitive products.
- The Organization will endeavor to help industrial and commercial enterprises to properly follow trademark policies, establish sterling reputations, tap new markets, and develop their own recognized products.
- The Organization holds the responsibility to introduce the varying uses of trademarks to the society and its members and to strengthen their awareness of related rights.
- The Organization will reinforce the honour achieved by its members in the world arena, increase international co-operation concerning trademarks and connect the communication [as published] among the international trademark organizations by following the international intellectual copyright stipulations. The Organization will enlarge the exchange and co-operation among the international renowned trademark producers, build bridges between international media and advertising organizations to popularize the famous trademark goods of the members of the Organization and create world famous trademarks. [sentence as published]
- The Organization will introduce the new experience of the members and raise the present product fame, attract more consumers and popularize the renowned trademarks to every family.
- Unity and co-operation are the principle of the Organization. All members will help each other on information exchange, economy and technology.
- Any enterprises willing to create and protect renowned trademarks and possessing renowned trademarks are welcome to apply.

Statement by Ren Guojun, Senior Lawyer, Professor of Science of Law, Acting Director of the China Legal Affairs Centre; Gao Zongze, Senior Lawyer, Chief Lawyer of the China Legal Affairs Centre; Wang Yunjie, Lawyer, Director of the Intellectual Copyright Office of the China Legal Affairs Centre:

Approved by the Ministry of Civil Affairs of the People's Republic of China, the Working Committee of the Renowned Trademark Protection Organization of the China Association for Promoting Journalism and Culture will be founded in Beijing on June 26, 1992. We are authorized to handle the legal affairs of the Renowned Trademark Protection Organization.

#### Members of the Renowned Trademark

##### Protection Organization (All are legal persons):

- [7456 4539 5887] Ma Lixing, Factory Director of Shanghai Synthetic Detergent Factory
- [7456 0516] Ma Yong, Factory Director of Shanghai Yong Xin Raincoat Dyeing and Knitting Factory
- [3769 0088] Wang Ren, factory Director of Guangzhou Battery Factory
- [3769 0948 2504] Wang Guochun, Factory Director of Yibin Wuliangye Distillery
- [3769 2494 5679] Wang Mingzao, Factory Director of Luzhou Laojiao Distillery
- [6988 0061 1131] Deng Miaotian [name as published], Deputy General Manager of Shenzhen Kangjia Electric Group Co. Ltd.
- [0491 4539 0823] Liu Lixi, Acting Factory Director of Shanghai Camera Factory
- [0491 2973 1795] Liu Zhengde, Factory Director of Qingdao Brewery
- [7458 2704 3932] Feng Gensheng, Factory Director of Hangzhou No 2 Chinese Traditional Medicine Factory
- [0670 7311 5478] Shi Shunhua, Factory Director of State-Owned Changjiang Machinery Factory
- [6079 4949 3189] Xu Jihai, Factory Director of Zhongshan Weili Washing Machine Factory
- [2037 3352 2450] Huai Hanxin, General Manager of Guangdong Sun God Group Co. Ltd.
- [1327 0448 1730] Sun Liqiang, General Manager of Yantai Zhangyu Winery Corporation
- [1327 3382] Sun Pan, Factory Director of Beijing Tongrentang Pharmaceutical Factory
- [1327 7844 6924] Sun Dingkun, General Manager of Yantai Polaris Clock Group Corporation
- [3282 0090 3932] Tang Zesheng, Factory Director of Tianjin Bicycle Factory
- [2621 4423 2773] Li Xiuse, President of Guangdong Banqiu Industrial Group Corporation
- [2621 4842 4885] Li Jingwei, Chairman of the Board and General Manager of Guangdong Jianlibao Group Co. Ltd.
- [2612 1795 0981] Zhu Dekun, General Manager of Wuxi Little Swan Electronic Appliances Industrial Corporation
- [0149 2429 2504] He Wenchun, Chairman of the Board and General Manager of Guangdong Wanbao Electric Appliances Group Corporation
- [0149 7022 1649] He Changgeng, Factory Director of Shaanxi Xifeng Distillery
- [7115 1102 3808] Chen Shiqiu, Factory Director of Jiangxi Gongqing Down Factory
- [7115 0278 2672] Cheng Chuanbai, Factory Director of Kunming Cigarette Factory
- [7115 4382 5281] Chen Xiangxing, Factory Director of Nanjing Radio Factory
- [7120 1129 6978] Lu Dayong, Deputy Factory Director of Shanghai Cigarette Factory
- [1323 0344 5328] Ji Keliang, Factory Director of Guizhou Maotai Distillery
- [2799 1172 (third character of name indistinct)] Yang Yongtai [given name as published], General Manager of

Guangzhou Panyu Confectionery Co. Ltd. [2799 6134 2837] Yang Chengrong, Factory Director of Shanghai Guanshengyuan Foodstuffs Factory  
[1350 1987 0683] Zong Qinghou, General Manager of Hangzhou Wahaha Foodstuffs Group Corporation  
[5400 0948 1004] Fan Guocheng, Factory Director of Shanghai Xiafei Daily-Chemicals Factory  
[0719 6855 2704] Zhou Jingen, Factory Director of Shanghai No 3 Bicycle Factory  
[1728 3843 2404] Zhang Ruimin, General Manager of Qingdao Qindao Haier Group Corporation  
[1357 0022 0342] Xuan Zhongguang, General Manager of China Yangzi Electric Appliances Corporation  
[6786 2734 3932] Li Meisheng, Factory Director of Suzhou Electric Fan Factory  
[6787 2182 1024] Hao Zhenkun, Factory Director of State-Owned Jialing Machinery Factory  
[5913 2182 0948] Yuan Zhenguo, Manager of Beijing Beibingyang Foodstuffs Corporation  
[1776 1755] Xu Bin, Factory Director of Beijing Daily-Chemicals Factory  
[1776 0356 4389] Xu Quanlu, Factory Director of Shanghai Bicycle Factory  
[1776 5391 2052] Xu Yingcheng, Factory Director of Shanghai Toothpaste Factory  
[0242 3387 1496] Ni Runfeng, Factory Director of State-Owned Changhong Machinery Factory  
[1603 6311 2494] Chang Guiming, Factory Director of Shanxi Xinghuacun Fenjiu Distillery  
[3542 2837 0368] Jiao Rongdian, Factory Director of Guangzhou Toothpaste Factory  
[5969 2514 0256] Chu Shijian, Factory Director of Yuxi Cigarette Factory  
[3382 1337] Pan Ning, Factory Director of Guangdong Zhujiang Refrigerator Factory  
[3326 4949 2450] Teng Jixin, Factory Director of Hubei Shashi Daily-Chemicals Factory  
Address: 10 Yueya Hutong, Dongsi Wutiao [10 Yueya Lane, Fifth Avenue of Dongsi (2639 0934)], Beijing, China. Postcode: 100010 Tel: 4017220

[The preceding is a full-page boxed item. The section comprising the names and titles of those authorized to handle the legal affairs of the trademark protection organization and the statement by them is contained in its own centered box. The statement itself is published in large type. The signature in Chinese of each member of the organization, rendered above in standard telegraphic codes, precedes his or her name.]

#### Ministry Simplifies 'Re-Exit Procedures'

OW2006110792 Beijing XINHUA Domestic Service  
in Chinese 0356 GMT 20 June 92

[Text] Beijing, 20 June (XINHUA)—With the State Council's approval, the Ministry of Public Security has issued a circular on its decision to further simplify, effective from 1 July, re-exit procedures for our country's citizens leaving the country for personal matters. This has been ascertained by reporters of this news agency from the Ministry of Public Security. Frontier inspection

stations will clear Chinese citizens leaving the country again after returning on ordinary passports by inspecting their valid passports and visas or other entry certificates issued by the countries for which they are leaving. These citizens need not obtain exit registration cards or initiate exit procedures anew.

Relevant circles have characterized the decision as a reform initiative taken amid reform and openness to facilitate the departure of our country's citizens for personal matters after their return.

Mao Fengping, director of the Exit and Entry Management Bureau of the Ministry of Public Security, was interviewed by reporters today regarding the decision to further simplify re-exit procedures for Chinese citizens.

Mao Fengping said: Since the policy of reform and openness was introduced, the exit and entry departments of public security agencies have consistently implemented the principle of loosening restrictions toward citizens of our country who apply for permission to go abroad for personal reasons. They have moved gradually to place the process of examination and approval within the context of the law and have done a fairly good job in this regard. The numbers of citizens applying for permission to make personal trips abroad, citizens permitted to go abroad, and citizens who actually leave the country after obtaining visas from the countries for which they are bound have increased with each year. Citizens who actually left the country after obtaining foreign visas numbered 940,704 from 1979 to 1991. Of these, 737,957 people have left the country since the "Law of the People's Republic of China Governing the Exit and Entry of Citizens" went into effect in 1986. This number represents 78.4 percent of the total number of people leaving the country during the 1979-91 period.

He said: Nationwide, 377,380 citizens who applied to go abroad for personal reasons gained permission to do so in 1991. This is up 35.3 percent from 1990 when 278,988 citizens were permitted to go abroad. Of these, 207,146 actually left the country after obtaining foreign visas. This represents a 17.9-percent increase over 1990, when 175,735 citizens actually went abroad. In 1991, 590,073 citizens left for Hong Kong and Macao for personal reasons. Of these, 28,619, or 4.8 percent of the total, eventually took up residence there; 144,834, or 24.5 percent, visited relatives; and 416,620, or 70.6 percent, went there on package tours. The year 1991 saw the greatest number of mainland residents going to Taiwan. The total came to 8,532.

Mao Fengping said: Since the law governing the exit and entry of citizens went into effect, public security agencies have consistently made keen efforts to facilitate the departure of citizens after their return to the country. A few years ago, students who studied abroad at their own expense could leave the country in time for their studies after returning to work on short-term jobs, to take vacations, and to visit relatives. They were only required to produce identification certificates for use during their

overseas studies as well as re-entry visas issued by the countries in which they pursued their studies. They were allowed to apply for an "exit registration card" with the exit and entry departments of public security agencies in any place, regardless of whether they had obtained their passports there. This procedure was also applied to personnel who had landed jobs abroad when they left the country again after returning for a short stay. Chinese nationals residing abroad who returned to the country to visit relatives, sight-see, or do business were allowed free passage into and out of the country as long as they possessed valid passports issued by our government or other valid certificates.

He said: Recently, the number of Chinese citizens going abroad has increased sharply, and the number of citizens entering and leaving the country has crept up. To satisfy the demands of the evolving trend of reform and opening up, the Ministry of Public Security, after obtaining the State Council's approval, has decided to further simplify re-exit procedures beginning on 1 July for citizens of our country going abroad for personal reasons. This is to say that our country's citizens who hold ordinary passports may leave the country after their return if they hold valid passports and valid visas or other entry permits issued by the countries for which they are bound. They need not initiate exit procedures again or apply anew for an "exit registration card." This procedure will apply regardless of when their last overseas trip was, whether their reasons for departure have changed, and whether their destinations are the same.

On whether people going abroad after returning to the country must obtain visas domestically from countries for which they are bound, he said: They may obtain valid visas or other re-entry permits from the countries for which they are bound before they return to the country or after they have come back. In the latter case, they may file applications with relevant foreign embassies or consulates in China.

Addressing concerns expressed by some overseas readers concerning the possibility of leaving the country after returning on passports issued by our country's embassies and consulates abroad, he stated: Chinese citizens may apply for replacements or new passports with Chinese Embassies or consulates abroad if the period of validity of their original passports has expired or if their original passports have been damaged or lost. After returning to the country, they may go abroad again on valid passports thus issued and bearing the entry visas of relevant foreign countries. Entry visas of foreign countries that were stamped in the original passports will be considered valid even if they are not included in the new passports.

On the loss of passports after returning to the country, he said: Citizens on short-term overseas trips who lose their passports after returning to the country must report the loss to public security agencies in the areas where they lost the passports in accordance with the "Detailed Rules for Implementing the Law of the People's Republic of China Governing the Exit and Entry of Citizens." They

must also make a statement in the newspapers. The exit and entry departments of public security agencies may issue a replacement passport, together with an "exit registration card," according to relevant provisions. Frontier inspection stations will allow the individual concerned to leave the country after inspecting the new passport issued by public security agencies, the exit registration card, and the valid visa or permit of the country for which the individual is bound.

#### Article on Introduction of Civil Servant System

HK1806132292 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 23, 8 Jun 92 p 2

["Letter From Beijing" column by Bao Xin (7637 0207): "China To Install Civil Servant System Step by Step"]

[Text] Dear Brother,

The recent momentum of reform and opening up has surged like a spring tide. Overseas media have carried reports on it and you have evaluated it highly. But you and many friends overseas complain of mainland political structural reform being "too slow." In my humble opinion, just as economic structural reform must be expedited in an orderly manner, mainland political structural reform must also be pursued steadily and carefully and then broadened in a gradual and orderly manner.

One of the important items on the agenda for political structural reform is reform of the cadre personnel system. In a large number of mainland administrative organs, there are many problems in the areas of work efficiency, organs' work style and promotion of officials. What is the method for getting rid of these faults? CPC General Secretary Jiang Zemin recently pointed out that while pursuing economic structural reform, we must also pursue political structural reform. And one important part of it is the gradual pursuit of a civil servant system.

I learned from concerned people in Beijing that since the close of the 13th CPC National Congress, the experimental reform work on the civil servant system has been continuously under way under the "do more and talk less" principle. For instance, from early 1989 onward, under the centralized planning and direct guidance of the state Ministry of Personnel, there have been six "central level" administrative units in Beijing chosen as the experimental sites for the civil servant system. They are: The State Auditing Administration, the State Administration of Building Materials Industry, the General Administration of Customs, the State Administration for Industry and Commerce, the State Administration of Taxation and the State Statistical Bureau. It is learned that the experimental work has been smooth, has scored relatively good results and has accumulated beneficial experiences.

While experiments are being conducted at the six bureaus, the state Ministry of Personnel has also started to actively formulate the "Interim Regulations for State



Civil Servants." After wide consultation at high and low levels and many revisions, the "Regulations" have basically secured recognition from high levels of the CPC.

At a national meeting of personnel bureau chiefs convened earlier, the State Ministry of Personnel came to a preliminary conclusion that it is necessary to earnestly complete the important reform of the civil servant system. It is learned that after the 14th CPC National Congress this autumn, the civil servant system reform will gradually move from an experimental basis toward installation in some localities.

The experiment in mainland civil servant system reform is being conducted under the coexistence of both the old and new systems. Change from the old to the new system requires a process, and so inevitably there will be some contradictions and problems in the experimental work. It is understood that Chinese high-level leaders attach great importance to these contradictions and problems, such as the problem of the conversion of government functions, and have produced measures for further reform; they also attach great importance to the experimental work of the civil servant system reform, and will actively pursue it on a trial basis and gradually extend the reform.

Zhang Sai, chief of the State Statistical Bureau, a unit undergoing the experiment, said that civil servant system reform is an important reform directly related to running the country scientifically. We cannot just train our eyes on pay rises and income increases, but must focus on reforming the cadre personnel system in order to increase organs' vitality. He requested that the experiment at the State Statistical Bureau be handled well at each step and encouraged the entire bureau staff to "march forward and not to fall back."

After three years or so, recent news from the State Statistical Bureau is that the experiment in the civil servant system at the bureau has been fully affirmed by the leaders of the Ministry of Personnel.

In my opinion, the major drawbacks of the current cadre system in the mainland are: The concept of "state cadres" is too vague and all-encompassing and lacks a scientific and explicit classification. Cadres at state organs are called "cadres," and enterprise managers and university and high and primary school teachers are also called "cadres," with the result that the "cadre" contingent is too massive. The personnel management powers for cadres are too concentrated; personnel management is divorced from the management of official work; the management style is uniform, which works against the growth of talent; and the management system is unhealthy and personnel employment does not conform to the rule of law... All these described above are bound to bring about a situation where good young talent is unable to distinguish itself. Furthermore, there are still unhealthy trends in matters of choice of personnel. Therefore, aimed at the problems in the current system, the "Interim Regulations for State Civil Servants" newly

formulated by the State Ministry of Personnel devotes special articles and sections to, and makes new provisions on aspects such as "employment," "appraisal," "reward and punishment," "post promotion and demotion," "relieving of posts," "exchanges," "avoidance of nepotism" and "appeals and accusations" in order to guide the experimental pursuit and extension of the civil servant system in China.

[signed] Bao Xin

[dated] 1 June

#### Article on Theory of Socialist Construction

HK2006081192 Beijing GUANGMING RIBAO  
in Chinese 23 May 92 p 3

[Article by Guo Zhenying (6753 2182 5391) of State Council Research Office: "New Development of Theory of Socialist Construction"]

[Text] To study Comrade Xiaoping's speeches, it is necessary first to profoundly understand the gist and essence of the theory of building socialism with Chinese characteristics and to push the modernization cause forward unrelentingly. There are at least the following several points in the aspect of economic construction:

#### The Basic Task of Socialism Is To Emancipate and Develop Productive Forces

Over a long period of time, we have only stressed the development of productive forces under socialist conditions, but not the emancipation of productive forces through reform. This is incomplete and disadvantageous to speeding up the development of socialist productive forces. The socialism of our country was established in the revolutionary form of overthrowing the reactionary imperialist, feudalist, and bureaucratic capitalist rule, enslavement, and oppression so that the people of the whole country were liberated, which was the first great emancipation of the socialist productive forces. Were there any problems of the emancipation of productive forces after the establishment of the socialist system? The reply should be affirmative.

In socialist society, the fundamental contradictions are still those between productive relations and productive forces and between the superstructure and economic base. Productive forces are the most active factor, productive relations must change along with the development of productive forces, and the superstructure must be readjusted along with a change in the economic base. These are the fundamental contradictions that run through all societies as well as the fundamental motive force that gives an impetus to social advance. The tasks of a socialist country are that in light of the characteristics of the country and centered on resolving the contradictions between the people's increasing needs for material things and culture and backward social production, the country must consciously and constantly readjust and reform the links of productive relations and the



superstructure that are unsuitable for development of productive forces, thus accelerating their development. Our country carried on socialist construction in a comparatively backward economic and cultural environment. Due to insufficient understanding of the socialist economic law, particularly the functions of the commodity economy and of the law of value and owing to the lack of experience, our country basically copied the pattern of the Soviet economic structure indiscriminately, together with what we built up on the basis of our understanding of Marxism. It was a highly centralized structure. The present situation has changed very greatly. If we do not carry on reform, this structure will become an obstacle to the development of productive forces. We must heighten our historical sense of responsibility and the sense of urgency of the times and through reform, set up a socialist economic structure full of vitality, further emancipate productive forces, and give better play to the superiority of the socialist system.

#### **Planning and Market Are Not the Hallmarks Which Distinguish Between Socialism and Capitalism**

For a long period of time, our understanding has been inconsistent about the basic characteristics of socialism, particularly on the issue of planning and market. It is maintained that the planned economy is tantamount to socialism while the market-directed economy is equal to capitalism. In fact, planning and market are means to readjust the economy and cannot determine the nature of the social system; they are neither "socialist" in nature nor "capitalist" in nature. Planned regulation and market regulation are all the objective requirements of large-scale socialized production. These two kinds of means are not directly related to the ownership of the means of production.

Reform and opening up are an exploration of the forms of the socialist economic base and the superstructure. Since they are an exploration, we must be bold in breaking a path and carrying on experiment; otherwise, we cannot break a new path. Some comrades dare not to break a path in the course of reform and opening up for fear of running counter to the basic characteristics of the socialist economy and taking the capitalist road because of many capitalist things. Whether the measures for reform are "socialist" or "capitalist" in nature mainly depends on whether or not they are beneficial to the development of the socialist social productive forces, the reinforcement of the comprehensive national strength of a socialist country, and the improvement of the people's living standard. We cannot shackle our own hands and feet but must emancipate our minds, boldly absorb and draw on all achievements of civilization created by human society, and absorb and draw on all advanced modes of operation and experiences in management that reflect the law of modernized production of all countries in the world, including developed capitalist countries. We must be bold in applying some international general methods. Now, some of them have been applied, some have not been thoroughly applied, and some have not been applied. After the publication of Deng Xiaoping's

speeches delivered during his southern inspection tour at the beginning of this year, the enthusiasm of all places, cadres, and people of the whole country has been very high and new breakthroughs have been made in some aspects. This is a very good start. For example, our country will continuously expand the sphere of utilizing foreign capital and foreign businessmen will be permitted to invest in "restricted zones," like the retail business, transport service, and advisory service, which were out of bounds to foreign investments in the past.

#### **Seize Opportunity To Expedite Development, To Advance Wave Upon Wave**

All countries' economic development advances wave upon wave. The consequences of the functions of the inherent capitalist contradictions will inevitably lead to a periodic economic crisis and their economic development appears to be ups and downs in a big way. Our country's economic development has also risen and fallen frequently and advanced wave upon wave. This is not caused by the social system and is also unavoidable.

Our country's economy has advanced in very big strides since reform and opening up, and this is the period of the past 40 years and more since the founding of our country when its economic development has been quickest and the people's living standard most improved. However, there are also discrepancies among years. The period of rapid development was 1981-1988, it was 1984 when the gross national product increased most greatly, recording an increase of 14.6 percent. During this period, wealth increased tremendously and the national economy as a whole went up to a new step. An over-heated economy appeared in the second half of 1988, when there were more bank notes in circulation, prices fluctuated greatly, and duplicate construction projects were relatively serious, resulting in some waste. In 1989, economic improvement and economic rectification began, the principle of financial and credit retrenchment was implemented, and economic development dropped to the lowest point of 3.9 percent. Even so, economic improvement and rectification are completely necessary; otherwise, we cannot continuously advance. Practice proves that when economic development is that at a certain stage, opportunity is seized to expedite economic development for several years, and when problems are discovered, they are promptly improved and then we advance continuously. In other words, it is the cycle of balance-imbalance-balance so that the national economy advances in spirals. In light of international experience, some countries had periods of high-speed development or a number of stages of high-speed development. As our country is a large developing country, it must develop its economy a bit more quickly, it is impossible that the situation is always quiet and stable, and some phenomena of irregularities will, anyway, appear in all aspects. The national economy must develop in a coordinated and steady way; otherwise, we can't begin to talk about normal economic order. However, stability and coordination themselves are not goals but means to

promote economic development even better. It is development that is the hard reason and the goal.

**Follow the Law of Unbalanced Regional Development,  
Forge Ahead by Steps**

Over the past 40 years and more after the founding of our country, we have often neglected the law of regional imbalance and made investments everywhere, resulting in serious waste. To sum up historical experiences and lessons, we must, on the premise of maintaining a basic balance of aggregate supply and aggregate demand, fully apply the law of unbalanced regional development, encourage regions with favorable conditions to develop first, and then bring along the backward with the advanced and forge ahead by steps.

Unbalanced regional development and different economic levels are formed by the conditions of all places in the historical, geographical, and many other aspects, and are inevitable phenomena emerging in the national economy. We must learn to apply them to accelerate economic development. The so-called application is that in light of the national conditions of our country, we must concentrate our limited manpower, material and financial resources to develop those regions with good results in investment in a given period so that some regions can develop first and some regions will develop slowly. Subsequently, the regions that have developed first bring along the regions which will develop later and the aim of getting rich together will eventually be achieved. It is, however, impractical to expect to abandon such a strategy in a short period of time. After its independence, the United States first developed six states, including New England and New York, in its eastern part. After World War II, it developed its western coasts of the Pacific and its southern regions. It has made arrangements for industries throughout the country for over 200 years. Since reform and opening up, due to different objective natural conditions and subjective economic policies, all places of the whole country have differed greatly in development. From 1981 to 1990, the GNP of the whole country recorded an increase of 136 percent, an average annual increase of 8.9 percent. Those whose increase was comparatively fast were: Guangdong recorded an increase of 231 percent, an average annual increase of 12.7 percent; Zhejiang recorded an increase of 188 percent, an average annual increase of 11.1 percent; Jiangsu recorded an increase of 172 percent, an average annual increase of 10.5 percent; Shandong recorded an increase of 159 percent, an average annual increase of 10.0 percent. The gross industrial and agricultural output value of Daqiu Zhuang of Jinghai County, Tianjin, a "Red Flag" on the agricultural front, was only 3 to 4 million yuan before reform and opening up, but now amounts to some 1 billion yuan. There are many similar examples on the agricultural front. Therefore, regions with favorable conditions must develop as quickly as possible. As long as we stress efficiency, quality, and an export-oriented economy, we shall not

only not damage the overall economic balance but also shall do things beneficial to the promotion of the overall economic balance.

**The Development of High Science, Technology  
Industries Is the Key to the Acceleration of the  
Development of the National Economy**

Science and technology are the first productive forces. The invention of a certain high and new technology and the application of this technology to practice will bring tremendous benefit to mankind. In the last one to two decades, the world's science and technology have developed very quickly and breakthroughs have been made in many high and new technological realms, thus bringing along the development of a large number of new and developing industries. At present, our country has initially built up high and new technology industrial structures, including aviation, space flight, nuclear energy, micro-electronic computer, oceanic development, bioengineering, new materials, optoelectronics and telecommunication engineering, thus greatly speeding up the development of the national economy. Without the great development of and important breakthroughs in the scientific and technological realms, especially in the high scientific and technological realms, it is very hard to attain the target of achieving socialist modernization of our country in the middle of next century and to reach the standard of a medium developed country. There are four issues here that need to be defined:

1. Continue to expand the application of the electronic technology. The functions of the electronic technology become more and more prominent in the national economy and by integrating traditional machinery with the electronic technology, the functions will change very greatly and labor productivity will be greatly enhanced. We must place the focal point on traditional industries and every trade must work out a clear and definite objective, economize on energy, reduce consumption, develop new products, and improve the quality of products.
2. Intensify study and development of high and new technology. With a view to achieving the great objective of modernization, it is essential to make efforts to carry out the state's plan for study and development of high and new technology, to attach great importance to the role of the scientific research institutes, universities, and colleges, and to accelerate the industrialization of high and new technology.
3. Increase input in science and technology. The proportion of our country's input in science and technology in the national income is much smaller than that of some developed countries. It is mainly because our foundation is now weak, and we cannot appropriate more money. We must spend more money on the scientific and technological cause along with the development of the national economy.
4. Do a good job in the transformation of the mechanism. A salient problem in scientific and technological

development now is that a mechanism to transform scientific and technological achievements into productive forces has not been formed. Every year, our country scores several ten thousands of scientific and technological achievements, very few of which are applied in production. The number of scientific and technological achievements applied in production in our country is much smaller than that in some countries. The main reason is that the enterprise mechanism has not been transformed. Although there are the pressure of the market and of competition, there is a shortage of motive force to apply scientific and technological achievements. We must exert efforts to change this situation.

### Science & Technology

#### Commentator's Article Urges Technological Progress

HK2606015192 Beijing RENMIN RIBAO in Chinese  
22 Jun 92 p 1

[Commentator's article: "A Major Strategic Task"]

[Text] Doing a good job in state-run large and medium enterprises relies on: one, deepening reform; two, strengthening management; and three, technological progress. With the dual challenge of the new technological revolution and international economic competition, expediting technological progress in enterprises becomes an important strategic topic in our country's economic development.

Our country is at present expanding domestic opening up and opening up to the outside world. As the local barriers within the country break down and the international market penetrates more deeply into China, enterprises in our country will eventually find themselves in the arena of market competition. Market competition is commodity competition, and commodity competition ultimately is competition in technology. Countries around the world are now all paying great attention to applying scientific and technological fruits to production. High and new technologies now are converted noticeably more quickly into production use. New products keep cropping up, and the cycle for producing a new model or a new generation of products is getting increasingly shorter in time. Under this situation, the fundamental way to shorten the gap between our country's economy and world's advanced countries lies in reliance on technological progress. Therefore, we should be fully aware of the critical role of technological progress in economic development and increase our sense of urgency. While we adjust the production structure and pursue well the conversion of enterprise operation mechanism, we should also promote technological progress among enterprises, and work to improve the technological level of our country's enterprises to a new level within a relatively short time. This is required by the survival and development of enterprises, as well as a realistic need to realize our country's economic development strategy.

After our country entered the new era, it laid down the guiding principle of invigorating the economy by relying on science and technology, adopted a policy-wise series of momentous measures, and raised the starting level of our country's technological progress and self-development ability by technological transformation of existing enterprises and by massively introducing foreign advanced technologies, which have played a direct and promotional role in strengthening our country's economic strength. However, compared with developed countries and even some developing countries or regions, the technological progress of our country's enterprises is, by overall standards, still a considerable distance behind. First, science and technology is seriously divorced from the economy in our country. It is very difficult for many scientific and technological fruits to be channeled into concrete production capacity or transformed into products for enterprises; and there is not yet an integrated economic and technological system in which economic development can rely on scientific and technological progress. Second, a large part of large-scale traditional industries, which are the pillars of the national economy, are still suffering from backward technology, skills, and outdated equipment; the variety and quality of their products cannot satisfy market needs; and there are no fundamental solutions for such long-standing problems as large depreciation and poor benefits. If such a passive situation persists for long, then a large number of enterprises will find it hard to maintain their footings in domestic and foreign markets for lack of competitiveness; and it will be difficult to realize the second- and third-step strategic goals for our country's economic development.

The decisive steps to induce enterprises to pursue scientific and technological progress are reform and pushing them toward the market. In the past, under the existence of planned management system and sellers' market, enterprises' technological transformation meant waiting, being dependent, and sending in requests for any needs. Technological progress was sluggish then. Now, through reform, enterprises are gradually pushed toward the market and try to survive amid competition. This, plus the existence of buyers' markets for many commodities, will force enterprises onto a road of making technological progress. Governments and functional departments at all levels must seize this opportunity to convert their management functions, help trades and enterprises to study and formulate forward-looking and practicable medium- and long-term technological development plans, and, through policy preference in finance, taxation and prices, and other regulatory and control means, encourage and guide enterprises to increase scientific and technological inputs and expedite technological transformation, in order to gradually form an operating mechanism for technological progress, with the mechanism featuring both incentives and constraints with incentives occupying a predominant part.

Enterprises' technological progress must revolve around raising economic benefits and must vigorously popularize advanced and suitable scientific and technological



fruits. It must actively extend the application of electronic technology, transform traditional industries, encourage economization of energy and the lessening of depreciation, develop new products, and raise product quality. Enterprises are the links between science and technology and the economy. To make the connection a reality, on the one hand, we must rely on the industrialization of science and technology, making scientific research and teaching emphasize production, so as to make science and technology "grow" into the economy. On the other hand, we must see to it that enterprises reach for scientific and technological development, which includes basic technological research. At present, our country's enterprises' technological development capacity and technological development personnel are both at a relatively low level in proportionate terms. One urgent task for enterprise reform is to rapidly change this situation. First we must establish technological development agencies among enterprises and business conglomerates, and lure scientific researchers at scientific research institutes and institutes of higher learning to work in enterprises. At the same time, we must continue to invite, digest, and absorb in various ways foreign advanced technologies and management experiences.

In the turbulent currents of international and domestic market competition, enterprises' technological progress is like sailing a boat against the current—it moves either forward or backward. Those which are slow in moving forward will be eliminated. We hope that the broad mass of enterprises can clearly see the overall situation, draw up a genuinely practicable strategy for scientific and technological progress as quickly as possible, orient themselves toward the market with their products as the advance party, promptly develop key high-grade and high-quality products that are marketable and meet the market needs, and go to swim and fight it out in the vast ocean of domestic and international markets.

### Economic & Agricultural

#### Daily Highlights Beijing's Tertiary Industry

HK2606094592 Beijing RENMIN RIBAO  
in Chinese 17 Jun 92 p 2

["Great World of Tertiary Industry" column by staff reporter Ban Mingli (3803 2494 7787): "It Is Not That We Have Too Many, But That We Do Not Have Enough—Individual and Private Businesses in Beijing's Dongcheng District Are Encouraged To Run Tertiary Industry"]

#### [Text] "Number One" in Relation to Individual Traders

According to a survey, Beijing's Dongcheng District has topped other districts of the municipality in certain aspects regarding the development of tertiary industry run by individual traders and private establishments.

"Widest variety of new fashions": Fashion boutiques run by individual traders are located shoulder to shoulder on

both sides of Dongsu West Avenue. For a while, these boutiques were well known for offering the widest variety of fashions and for the fastest reaction to the changing fashion market. It is said that people can find the latest fashions at individual trader-run boutiques here a month earlier than elsewhere.

"Longest history of pen repair service": Zhang Guangyi, one of the several pen repairers still active in the four major districts of the capital, has a greater length of service in the trade than anyone else. He has been working as a pen repairer for 40 years and has repaired some 150,000 pens. The name "Fountain Pen Zhang" is renowned at home and abroad.

"The first district to extend business hours so late that shops can open at night": This district was the first among others to allow individual traders to run a night market at Donganmen. Since June 1984 the night market has entertained some 87.6 million visitors—about 30,000 visitors a day on average.

A comrade from the Dongcheng District Administration for Industry and Commerce said: "Individual traders have made great contributions to the development of tertiary industry!"

By 1991, there were more than 7,500 individual households in Dongcheng District, 53 times as many as in 1978. These individual households employed 12,200 people, in contrast to 147 in 1979. Their turnover totaled 344 million yuan in 1991, 2,630 times as much as that for 1981. Most individual households run tertiary industry, and one in every three retailers in this district is an individual household.

#### Are There Too Many or Too Few?

"Individual households have developed too fast and have had an impact on state-run enterprises. How are we going to deal with this situation?" Some people have been worried about this, and for this reason the pace of development of individual households in the field of tertiary industry was slowed for a while.

Having heard about this opinion, comrades of the individual household section of the Dongcheng District Administration for Industry and Commerce conducted a special survey. "Are there too many or too few individual households?" They found out that the 12,200 people who have shifted to the individual household sector in the past 10 years account for only 1.25 percent of the district's total employed population, while the district has to accommodate a job-awaiting population of some 3,000 to 4,000 each year. In terms of registered capital, all the individual households and private enterprises together make up a mere 0.5 percent of the district's total or, in other words, the total capital of all the more than 7,500 establishments is still less than the value of a department store's fixed assets as assessed in 1991. Their retail sales volume accounts for only 8.4 percent of the district's total retail sales volume, or equivalent to three-fourths of the annual sales volume of

Longfu Department Store. In addition, individual households are mostly running business of the types that state-owned enterprises can hardly cover or will simply ignore because of negligible expected profits—clear evidence of their role as a mere "supplement" to the state-owned economy.

The comrade from the administration for industry and commerce said: To judge whether there are too many or too few individual households running tertiary industry, one must consider first, their conditions for development and second, the needs of society. If both considerations point to a need for more individual-run businesses, then we should encourage the establishment of more such businesses so that the public can enjoy more convenience. At present, the number of individual enterprises is not excessive, but far from adequate. So it is necessary to vigorously encourage the establishment of more individual households to meet the masses' needs. The administration for industry and commerce has drawn up an eight-point proposal to relax controls over individual households running tertiary industry. Recently it again formulated "21 rules" to grant individual households a higher degree of freedom in business operation and to shorten the 15-day waiting period for the issuance of business licenses to seven days. In the first four months of this year, Dongcheng District topped the other three districts of the municipality in terms of the rate of increase in the number of individual households, with a net increase of 375 individual households, in contrast to the increase of 60 for the same period last year.

#### **A License Holder Must Make an Application If He Wants To Take Leave**

Little Chen, the owner of Lixin Boutique, opened his briefcase and showed this reporter a "business hours record book" for individual households. He said: I will have to go out to replenish the stock for my boutique tomorrow, so I am going to pay a special visit to the administration for industry and commerce to apply for leave with this record book. This is a provision laid down by the system. Apparently he was serious about this.

"The license holder shall attend to his shop." This is a new regulation set by the district administration for industry and commerce. Since some individual households have leased their licenses to others and receive a net lease charge without operating their shops in person, some of those who run the shops on lease have done as they wish, reckless of the consequences and in violation of laws and regulations. In this connection, the administration for industry and commerce has done a meticulous job in tightening up control over individual households, being strict with examination and approval of applications, penalties, and other affairs. Last year, eight individual households who leased their business licenses to others were penalized, and 37 households' licenses were revoked and regranting to other, more qualified traders.

Flexible but not disorderly, relaxed but not laissez-faire, everything is under control and in good order. This is the principle guiding their efforts to tighten control. Through consolidation and administration, the cases of individual caterers who dragged customers into their restaurants in Beijing Station district has been basically settled; because of stricter administration and supervision, the sense of law, service, and management quality on the part of individual households has been enhanced; and the situation has been substantially improved with regard to the practices of giving short measure and selling imitations and fakes. The catering service trade is now developing to meet the public's varying demands and to provide a variety of fast foods and specialty foods, while shopping centers are promoting their "name-brand, special, quality, and new products." Now, individual households well known for their special characteristics from other parts of the country can set up branches in Dongcheng District, and exceptions have even been made to allow them to use their own shop names with a strong local color. Last year, this district administration for industry and commerce ranked first among other district administrations for industry and commerce in Beijing in terms of performance regarding registration and administration of individual households.

#### **Tertiary Industry Is Not "Third Rate" Industry**

What do individual traders think about the promotion of tertiary industry?

The female shop owner of the Deli Restaurant, after a short hesitation, gave a frank reply: "I hope I will be able to open a company when I am 50 years old." She is now 32, and is doing good business. "I have visited all the famous individual-run restaurants in Beijing. And after that I have greater self-confidence! They have their customers and I have mine." Not long ago, in a hygiene inspection and assessment of 15 individual-run restaurants in Dongcheng District, the Deli Restaurant got full marks. The boss said proudly: "My restaurant can match even some state-run restaurants in terms of food hygiene."

"I hope that the regulations can be relaxed a little more with regard to form of restaurant management and food variety, and I hope still more eagerly that our work will be recognized and respected by the community," she said. We have no objection to inspection by the department in charge. But some officers are rude and picky, and we are given no chance to explain to them, otherwise we will be liable to a fine, and still heavier fines will be imposed on us if we keep on arguing with them. We are very willing to play a part in whatever is beneficial to the state, the Great Wall repair project and donations to aid disaster-stricken areas, for instance. But we do not want others to force unreasonable levies and apportionments on us.

"In the past, we used to work with non-private units and we received our pay with ease of mind, even if we had

nothing to do. Now we have become self-employed, and by doing so we have helped reduce the burden on the state. How come we are now treated as 'third-class citizens' instead? I really don't understand why."

Leaving the Deli Restaurant, this reporter was still thinking about the question the restaurant owner had raised. Who is to be blamed for this? Those who are directly responsible for it should be blamed, but you cannot lay all the blame on several people. In the final analysis, it should be attributed to the underdeveloped state of tertiary industry, which is not treated as being equal to the primary and secondary industries; and to the fact that the status of individual laborers is not that of being duly recognized as members of the labor force. Improvement has yet to be made through the joint efforts of all members of society, including individual laborers, so that the new structure of socialist commodity economy will be established soon. But, from now on, we must call on people not to treat individual households who are running tertiary industry as "third-class citizens"!

#### Commentator Urges Government Support

HK2606094792 Beijing RENMIN RIBAO  
in Chinese 17 Jun 92 p 2

[Commentator's article: "There Is Plenty of Scope for Individual and Private Businesses To Run Tertiary Industry"]

[Text] The Administration for Industry and Commerce of Dongcheng District, Beijing Municipality, eagerly encourages individual households and private establishments to run tertiary industry. In doing so, it has offered more convenience to the public and made the economy more prosperous. What it has done deserves applause.

The individual and private economic sector is a useful complement to the socialist economy. According to the relevant policies of the state, encouraging individual households and private enterprises to run tertiary industry will not destroy the publicly owned economy, still less will it shake the socialist system. In some localities, individual, tertiary industry run by individual households and private establishments has developed quite fast, which has become a pressure on state-run commercial establishments. This provides a fine external environment pushing state-run enterprises to transform their operational mechanism. It is in this "siege" that many state-run commercial and catering enterprises have given play to their own advantages and improved their management and service standards. "Protecting" state-owned enterprises by imposing restrictions on individual and private businesses running tertiary industry will only make state-owned enterprises slack. Therefore, it is possible for us to make still bigger strides in encouraging individual households and private establishments to run tertiary industry.

We encourage more people to run tertiary industry and give them support, so that they can make use of idle

funds, houses, and places to run commerce, service trades, repair services, cultural services, scientific and technological development services, and information services needed by society. Meanwhile, we should also allow and encourage existing individual-run and privately run tertiary industrial establishments to further expand their investment and operation. This will further expedite the process of fostering the market, invigorating commodity circulation, and improving socialized service standards.

Individual-run and privately run tertiary industrial establishments will develop in a wholesome manner only if they are granted enough freedom and are kept under proper control. Tertiary industry is a sector of the national economy. It is necessary to guide individual households and private establishments in selecting locations according to the policy concerned, to encourage them to make investment in remote areas with few state-run enterprises and in underdeveloped trades, and to encourage them to actively explore new services, improve management standards, and develop their own specialties. It is necessary to educate individual traders to abide by law and observe discipline and to pay taxes according to regulations, and it is necessary to enhance their sense of vocational ethics. The reasonable profits individual and private households make by rendering honest service to the community and through hard work should be protected by policies and laws. Nobody is allowed to arbitrarily take advantage of them by the practice of unreasonable levies and apportionments. Meanwhile, those individual traders who violate the law and discipline and cheat consumers right and left must be punished according to law, so as to safeguard the reputation of the individual and private economic sector and to protect consumers' legitimate rights and interests.

Individual-run and privately run tertiary industry needs the support of governments, administrations for industry and commerce, public security organs, the communications and transport sector, municipal administrations, public health departments, and other functional and administrative organizations. The government must speed up functional transformation, and administrative organs must strive hard to improve their quality, playing well the role of coordinators and doing a good job in service and supervision, thus giving fuller play to the positive role of the individual and private economy.

#### Second National 'Land Day' Stresses Reform

OW2506143692 Beijing XINHUA in English 1350 GMT  
25 Jun 92

[Text] Beijing, June 25 (XINHUA)—Various kinds of activities have been held in Beijing for popularizing the nation's law on land administration today—the second national "Land Day".

More than 6,000 people from about 600 state and municipal organs have participated in the popularizing activities.



According to Wang Xianjin, head of the State Land Administration, the subject of this year's "Land Day" activity is land and reform. He said, the reform of the land use system is one of the important parts of reconstructing the nation's economy. The reform will change the free, limitless and non-transaction land use system to that of a paid, limited and transactional one. The nation is also to establish a land market combining planned administration with market regulating.

The nation's land resources have been wasted seriously due to the imperfect land administrative system. About four percent of the land put under local administration has been left unused, another four per cent of the land has been used in low efficiency. That would cause 800 million yuan of land asset losses every year.

In addition, 130,000 to 330,000 hectares of land have been bought and sold at low prices, land use rights of other amounts of land have been transferred illegally every year.

It is predicted that the nation could increase its revenue by 100 billion yuan (about 18 billion U.S. dollars) every year.

Since south China's Shenzhen Special Economic Zone started to conduct land use right transfers in 1987, more than 20 provinces, autonomous regions and municipalities have followed suit. By the end of last April, the land use rights of more than 3,000 hectares of land had been transferred, and 3.1 billion yuan (about 580 million U.S. dollars) has been obtained from the deals.

#### Official Briefs Reporters on Land Use

OW2606094392 Beijing XINHUA Domestic Service  
in Chinese 1217 GMT 23 Jun 92

[By RENMIN RIBAO reporter Jiang Yaping (3068 0068 1627) and XINHUA reporter Zhao Peng (6392 7720)]

[Text] Beijing, 23 Jun (XINHUA)—With the deepening reform of the land-use system in the country, the market for selling or compensated transfer of the right to the use of land according to law has become increasingly brisk. The right to use 3,000 hectares of state-owned land has been transferred with compensation in the country over the past five years, and the income from such transactions has exceeded 3.1 billion yuan.

At a forum sponsored by ZHONGGUO TUDI BAO [CHINA LAND NEWS] on "Land Day," 22 June, Liu Wenjia, deputy director of the State Land Administration Bureau, briefed reporters by saying: In 1987, the right to the use of state-owned land was first sold or transferred with compensation on a trial basis in Shenzhen. Then, Fuzhou, Haikou, Guangzhou, Xiamen, Shanghai, Tianjin, and other coastal cities successfully made experiments in this regard one after another. Now some inland areas are also launching pilot projects in this respect. The selling or compensated transfer of the right to the use of land has changed the past practice of

administrative transfer of land into the market supply of land. On this basis, a land market, whose standards are set according to law, is taking shape in the country. According to statistics, by the end of last April, experiments on the compensatory use of state-owned land had been conducted in more than 20 provinces, municipalities, and autonomous regions, and over 1,500 tracts of land had been approved for compensatory use.

According to the briefing, great progress has also been made in the compensatory use of land by collectives. In more than 1,200 rural counties of 28 provinces, municipalities, and autonomous regions, the land on which housing is built is also used with compensation. The compensated use of land by village and town enterprises has extended to more than 110 counties and cities in Liaoning, Hebei, Shandong, and other provinces.

The land market has opened a source of revenue for governments at various levels. Guangdong's proceeds from selling the right of land use has topped 1.8 billion yuan. In 1991, Zhuhai City used 530 million yuan of its proceeds from selling the right of land use to invest in urban construction, achieving good results. Fuzhou City raised over 700 million yuan by selling the right of land use, with which it has noticeably improved the appearance of its old urban area.

The selling or compensated transfer of the right to the use of land is made through agreement, competitive bidding, or auction. The increasingly standardized land market has effected an improvement of the investment environment and promoted the development of land, and it is an important means of attracting foreign funds. Some coastal and inland regions have used the policy for the selling or compensated transfer of the right to the use of land to set up a number of land development areas. For instance, Fujian Province has set up more than 30 large land development areas to develop a total of 21.3 square km of land, and it has used \$528 million to build a number of foreign-funded enterprises. Some of the enterprises have gone into operation.

Liu Wenjia said: The land market in our country has yet to mature. The land that has entered the land market according to law accounts for only 1 percent of the total land supply. Large tracts of land are transferred with compensation through a "stealth market" [7148 1748 1579 1034]. Therefore, land management is now an important task in screening and straightening out spontaneous land markets, improving the management of land-use-right transfers, and gradually setting up a complete socialist land market.

#### Realty Market Forming in Towns, Cities

OW2506224492 Beijing XINHUA Domestic Service  
in Chinese 1312 GMT 24 Jun 92

[By RENMIN RIBAO reporter Liu Hongchang (0491 1347 2490) and XINHUA reporter Jiao Ran (3542 3544)]



[Text] Beijing, 24 June (XINHUA)—According to incomplete statistics, China has started to experiment with leasing land use rights in 20 provinces, municipalities, and autonomous regions, and 250 cities and 2,500 towns have inaugurated land appraisal business. As of April 1992, over 1,500 parcels of state land with a total area of approximately 2,500 hectares have been leased for use. In coastal regions, the scope of reform in the urban land use system has rapidly expanded and a realty market has begun to take shape. In some cities where realty markets have already been established, the annual income from land rental has accounted for more than 35 percent of total fiscal revenues, and in special economic zones [SEZ's], such as Shenzhen and Zuhai, it has reached as high as 50 percent and has helped, to a certain extent, resolve the shortage of necessary funds in these fast developing cities.

The vigorous springing up of realty markets in China's coastal areas is attributable to the creative experience in the Shenzhen SEZ. In 1982, the Shenzhen SEZ was the first to adopt the method of collecting a fee for the use of state land from domestic and foreign users. In 1987, it also implemented the lease of rights for the use of state land—namely, the land lease system—thereby pioneering the reform of China's urban realty market. In 1988, China amended its Constitution with stipulations permitting the transfer of land use rights according to law. In May 1990, the State Council promulgated the "Interim Regulations Governing the Lease and Transfer of Land Use Rights in Cities and Towns." The formulation of these laws and regulations has put an end to the system of state administrative land transfer to applicants, which had been maintained over a long period of time in the past, as well as to the practice of leasing land without collecting rent. Therefore, the system of using state land began to change from a system of gratuitous, indefinite, and immobile terms to one of compensatory, definite, and mobile terms, thereby giving impetus to the rise of realty markets in the cities.

In assessing the developing realty market in our country, Wang Xianjin, director of the State Land Administration Bureau, said: Despite the fact that realty markets in coastal areas have become hot spots and are now on the rise, taking the whole country into consideration, realty market development has much to be desired. It is still an extremely arduous task to push forward the development of a new operational mechanism in the urban realty market.

For a long time in the past, a vague idea about landed property rights had led to confusion between land use rights and land ownership. Under the system of public ownership, the unit or individual occupying the land normally disregarded the existence of land ownership, thereby causing a loss of several billion yuan annually to the state. A responsible officer pointed out: The direction of reform in the realty market should be to make people understand that the land user is obliged to pay rent in order that the economic interests of land ownership may be realized. At the same time, under the

premise of making a distinction between land ownership and land use rights, efforts should be made to establish a realty market that is in line with the need for developing a commodity economy and to allow mobility and transfer of land use rights in the market, thereby establishing a new system whereby government administration is combined with market regulation in the new land system. This reform does not involve only a conceptual change but also affects the interests of units and individuals. This calls for active exploration and hard and meticulous work.

Currently, China's land system reform has gained momentum. In 1991, the Standing Committee of the National People's Congress listed the rational use of land, family planning, and environmental protection as the three major basic state policies, and the State Council has also designated 25 June as National Land Day. In order that the realty market may be fully developed in a planned and legalised way, the State Land Administration Bureau has set aside 10 years to complete the nationwide changeover from the system of free and unlimited terms of land use to one of compensatory and limited term of land use, as well as to complete the reform from immobility to mobility in land use. It may be envisaged that a highly active and new situation is bound to emerge in the realty market in our cities and towns.

#### Foreign Investment Sought in Real Estate

OW2506154592 Beijing XINHUA in English  
1357 GMT 25 Jun 92

[Text] Beijing, June 25 (XINHUA)—China reiterated today that it welcomes foreign investors in the fledgling real estate industry and will continue to provide them with preferential terms.

"We especially expect foreign investors to join us in projects which involve huge investment, high-technology and advanced facilities such as five-star hotels, first-class villas and special buildings necessary for the hi-tech projects of joint ventures," said Zhou Ganshi, the vice-minister of construction responsible for supervising the country's real estate market.

Speaking at a national conference on promotion of the property market, Zhou said that in attracting land developers, local governments at all levels should be prudent in setting prices for land-use lease rights and the amount of land available to domestic and foreign investors.

"These should be determined by market demand rather than the desire to lure more capital," said the vice-minister.

Zhou expressed his appreciation for the decision made by Shenzhen to place limits on land supply.

Shenzhen announced recently that the special economic zone's total land supply would be limited to 30 square

kilometers during the next five year—15 percent designated industrial and 40 percent residential. Land available in 1992 is restricted to be six square kilometers, compared with five square kilometers last year.

"Imposing limitations on land availability can help us curb speculation in the real estate market which has surfaced in some localities," said Zhou, adding that he expected this practice would be carried out nationwide in the near future.

However, the vice-minister stressed, to encourage overseas businessmen to invest in the property market, China will continue to provide them with preferential treatment.

"Only when they believe it is lucrative to invest in real estate industry, can we get the much-needed capital to help with economic expansion," said Zhou.

The central government is considering a set of rules for the young property market, including the price of land leasing. "Inflated or on the other hand prices which are too cheap would harm the healthy development of the industry which only started five years ago," said Zhou.

More than 200 officials from central government and localities and experts in real estate today attended the opening session of the four-day national conference.

#### Official Urges Sending County Cadres to Front

HK2506115992 Beijing NONGMIN RIBAO in Chinese  
11 Jun 92 p 1

[“Excerpts” of speech by Yang Yongzhe (2799 7167 0772), deputy director of State Council Research Office, at county-level structural reform symposium sponsored by NONGMIN RIBAO: “Mobilize Large Numbers of Talented Cadres To Go to Main Battlefield of Economic Construction”—date and place not given]

[Text] At present, people throughout the entire country are thoroughly studying Deng Xiaoping's remarks during his south China tour and the CPC Central Committee Political Bureau put forward: Seize the current favorable opportunity to quicken the pace of reform and opening up and concentrate energy on boosting economic construction. This is the situation and tasks China faces in the new historical period. Now, the entire country, with an area of 9.6 million square km, is seething with excitement and a new development momentum of accelerating reform and opening up and boosting the national economy is emerging.

To boost economic construction, we should first of all boost agriculture and the rural economy because agriculture is the foundation of the national economy. Taking an overall survey of all the developed countries in the world, one can see that all countries, without exception, have built their developed national economies on the basis of modern agriculture. Regarding the G-7 industrial countries, comprising the United States, Britain,

France, Japan, Germany, Italy, and Canada, their agriculture is as flourishing as their economies. All these countries, except Japan, have surplus agricultural products and some of them are major farm produce exporting countries. China's historical experience also showed that in years when there was a bumper harvest, the national economy developed healthily; and in the years of crop failure, conditions in the rural areas were likewise bad and the national economy did not develop smoothly. Particularly after a dozen years of reform and opening up, the success of rural reform and the rapid development of the rural economy have provided powerful support for the entire country's urban reform and national economic development, bringing about a very lively and convincing development process of mutual influence and promotion between agriculture and industry and between rural areas and cities. Therefore, the acceleration of agricultural and rural economic development is of even more vital significance to quickening the pace of reform and opening up, boosting the national economy as a whole, and carrying out the historical tasks in the new period.

For the purpose of expediting agricultural and rural economic development, a lot of work should be done and many policies and reforms are involved. This time, the convening of the county-level structural reform symposium sponsored by NONGMIN RIBAO is also an important aspect in expediting agricultural and rural economic development.

Counties are forward positions and at a crucial level in agricultural and rural economic work. The proper handling of structural reform at the county level is of particular importance to deepening rural reform and quickening the pace of rural economic development. I have been to Xixiang and some other counties in Shanxi Province to conduct a survey on the issue of structural reform at the county level. Their common experience was to change the functions of economic and technical administrative departments at the county level and provide services to speeding up agricultural and rural economic development. I feel that a very important and substantive issue concerning structural reform at the county level is to mobilize the vast numbers of talented cadres in the leading organs and economic administrative departments at the county level, to go to the main battlefield with economic construction as the central task. In speeding up economic development and striving vigorously to scale new heights at intervals of several years, we will not have a reliable organizational guarantee to realize this strategic objective if we do not have a large number of talented cadres marching toward the main battlefield of economic development. This is where the major significance of this symposium lies. Judging from the reform conditions in some pilot counties, the effect is noticeable as the economic administrative departments at the county level change their functions, set up economic entities, and mobilize a large number of cadres and scientific and technological personnel to go to rural areas and provide services to speeding up rural

economic development. In Shunde County, Guangdong Province, an agricultural committee was founded incorporating the former agricultural, animal husbandry, and other bureaus, and setting up some sections, leaving only 55 people to take charge of the management work and undertake the functions of the former several bureaus. As a result, more than 200 cadres were released to go to the economic fronts to establish various kinds of service entities and act as vanguards to spur on rural economic development. They have achieved amazing results with output value reaching several hundred million yuan.

For many years, we Communists have successively gathered vast numbers of talented cadres in party and government organs, as well as economic and technical administrative departments, who have done substantial work in such fields as party and state administration and economic management and made important contributions. At the same time, however, there has existed the condition that our organs are huge and overstaffed and many gifted people are packed together, unable to play their part, while the economic main battlefield and first line of production are short of qualified personnel and are badly in need of reinforcements. Better staff and simpler administration and reinforcement of economic fronts have become the demands of the times. It will be impossible for us to fulfill the historical task of speeding up economic development in the new period if we fail to release, in a planned way, various kinds of qualified personnel held up in party and government organs, as well as administrative and institutional units, and let them directly engage in economic work. Therefore, when we talk about the substantive vital importance of the county-level structural reform issue, we should closely follow the party central committee's proposition to speed up economic development so as to scale new heights at intervals of several years and mobilize a large number of talented people, held up in party and government organs and administrative departments, to go as quickly as possible to the main battlefield of economic construction. The county-level structural reform means adopting reform measures to change the functions of some economic and technical departments, set up economic entities, and explore paths for vast numbers of talented cadres to go to the economic fronts. As everyone knows, not so many hands are needed for the management work in organs.

Every time organ reform was carried out, no matter what changes took place, it generally resulted in only a few organs being reduced but with the size of staff ever expanding. An important cause was that we could not find new areas for the personnel released to display their abilities. That is why the structural reform at county level is aimed at changing functions, setting up economic entities, and transferring vast numbers of talented and capable personnel to work for economic construction. The party Central Committee and Comrade Xiaoping put forward the strategy of accelerating economic development, hence, the structural reform at county level should be linked with the strategic task of the new

period. In this way, our understanding of the issue will be at a higher level than just thinking that it merely serves to develop production in order to lighten financial burdens. A large number of talented cadres will also be voluntarily released from administrative organs and institutional units to head for the main economic battlefield and their sense of glory and historical mission will be intensified to make contributions to carrying out the strategy of accelerating economic development. Only by so doing can the fulfillment of the historical tasks in the new period have a reliable guarantee and the building of socialism with Chinese characteristics have bright prospects. Here lies, I think, the vital significance of accelerating economic development through the structural reform at county level.

#### **Noted Economists Echo Deng Remarks on Capitalism**

##### **Tong Dalin: Localities Should Seek Own Paths**

HK2406131292 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0728 GMT 20 Jun 92

[Report by Hong Wen (3126 2429)]

[Text] Xiamen, 20 Jun (ZHONGGUO TONGXUN SHE)—Chinese economist Tong Dalin said that the market economy does not exclusively belong to capitalism, and the idea that considers all the things being used in capitalist society as capitalism just shows a lack of common sense. At the same time, he also said: Because foundations and conditions vary from one area to another on the mainland, it is inadvisable to require all localities to adopt the same practice in expending reform and opening; instead, they should be encouraged to blaze their own trails.

Tong Dalin told ZHONGGUO TONGXUN SHE that the planned economy is not equal to socialism, and the market economy is not equal to capitalism. As long as something is conducive to the development of the productive forces and to the enhancement of the people's material and cultural lives, it should be done with assurance. At present, it is useless to argue about relations between the planned economy and market regulation; instead, down-to-earth action should be taken to develop the market economy and to improve the people's living standards.

He explained: Many things in capitalist society, including the market economy and the modes of economic operation and management, represent common regularity in all human societies. The innumerable valuable inventions and creations in capitalist society are not exclusive to capitalism; instead, they are the fruit of the creative work of entrepreneurs and intellectual workers. Therefore, things that are being used in capitalist society cannot all be called capitalism.

Tong Dalin appreciated the competitive situation that is conducive to economic development in many coastal areas, but he did not agree that the typical practice of comparison and contest be adopted among different



localities. Tong Dalin held that the unitary world [dan yi shi jie 0830 0001 0013 3954] can easily wither. Because various localities have different foundations and different strong and weak points, they should be courageous in undertaking risks and do pioneer work in exploring their own development models with high aspirations according to their own conditions. In particular, some relatively backward localities should seek high starting points and a path of developing by "leaps and bounds."

#### Ma Hong on Commodity, Market Economy

HK2406153192 Beijing ZHONGGUO XINWEN SHE in Chinese 1335 GMT 24 Jun 92

[Text] Tianjin, 24 Jun (ZHONGGUO XINWEN SHE)—Ma Hong, noted economist and director of the Economic Development Research Center of the State Council, today proposed an idea stating that the very purpose of economic reform is to develop and perfect the socialist market economy.

Talking about invigorating Tianjin in the reform spirit, Ma Hong aired his view here at a Tianjin symposium on strategy for reform, opening up, and economic development.

He said: Since the Third Plenary Session of the 11th CPC Central Committee, we have cast off "leftist" ideological trammels and put forth a series of important views, including expanding the market mechanism's functions, developing a socialist commodity economy, and integrating planning with market. Recently, Deng Xiaoping further expounded that a market is not exclusive to capitalism but also applies to socialism. His remark has enabled us to see the issue more clearly.

Ma Hong noted: Given the condition of modern mass production, a commodity economy actually denotes a market economy, and the very purpose of reform and opening up is to develop a socialist market economy. At the moment, many enterprises are operating with poor economic returns, are slow in technological improvement, suffering from an irrational production structure and performing unsatisfactorily in exploring and adapting to domestic and international markets. In conducting reform, we just want to establish as soon as possible a new structure that will suit the needs of the socialist market economy.

#### Deng's Capitalism Remark Hailed as Breakthrough

OW2306031692 Shanghai WEN HUI BAO in Chinese 19 June 92 p 6

[Article by Zang Zhifeng (5258 1807 7364): "Market Economy Does Not Equal Capitalism"]

[Text] [Begin boxed section] Summary of a Few Points

—As a result of the trammels of traditional concepts, there have been debates and differences of opinions over whether the socialist commodity economy is tantamount to a market economy and whether a

market economy is incompatible with planned management. These debates and differences have directly affected the deepening of reform and hindered its progress on a number of deep-rooted issues.

—Once we recognize the socialist economy as a planned commodity economy based on large-scale socialized production, marketing and the market economy will inevitably coexist with the commodity economy. If we negate the market economy, the commodity economy and the law of value will become abstract theories without a means for their realization.

—Comrade Deng Xiaoping has explicitly stated that the market economy is not tantamount to capitalism. This statement, which represents a new development of the theory of the planned commodity economy, has enriched the connotation of Marxist theory on the socialist commodity economy and has put the theory on a more solid footing. [end boxed section]

Comrade Deng Xiaoping recently pointed out that the planned economy does not equal socialism because capitalism also has some elements of planning; likewise, the market economy does not equal capitalism, because socialism also allows market activity. In this article, I would like to elaborate on my understanding of the view that the market economy does not equal capitalism.

#### I. The Reality of Development Calls for Us To Free Ourselves From Our Traditional Mentality

The traditional mentality equated market activity with competition and anarchism. Although he never mentioned the market economy in his works, Karl Heinrich Marx believed that the capitalist economy was dominated by competition and anarchism and that it progressed through a cycle of crises. This was the actual situation at the primary stage of the development of capitalism, or the stage of free competition. At the opposite end of capitalism, the original view was that upon the establishment of socialist public ownership, private ownership would disappear, the commodity-money relationship would bow out of the historical stage, and markets would become nonexistent. Under the socialist system, the state ran all economic activity with administrative plans that allocated resources and organized social reproduction. In 1906, Vladimir Ilyich Ulyanov Lenin clearly pointed out: "As long as the market economy exists and the power of money and capital is maintained, no law in the world will be able to wipe out inequality and exploitation. The only way to eradicate exploitation is to implement a large-scale planned economic system in society and place the ownership of all land, factories, and tools in the hands of the working class." Here we can see that the traditional view also equated socialism with a planned economy. Of note is that not only Marxists but Western scholars and statesmen also shared the same view, which further enhanced the traditional mentality in China.

During the course of socialist construction, people have accumulated a large amount of both positive and negative experiences through practice. The New Economic Policy announced by Lenin in the spring of 1921 practically solved the foregoing problem; that is, the inability to completely wipe out the commodity-money relationship and the necessity to retain the production and exchange of commodities between urban and rural areas after the establishment of socialism. Joseph Stalin's "Socialist Economic Issues in the Soviet Union," published in 1952, explained in theory that under the two socialist public ownerships, the exchange of commodities of equal value was the only form of economic relations between urban industry and rural agriculture that could be accepted by the peasants. This view expanded the Marxist theory on socialist commodity economy. However, Stalin still did not recognize publicly-owned means of production as commodities, and did not admit that the law of value played a regulatory role in production. Stalin's view had far-reaching impact on socialist countries; in fact, his view was the theoretical foundation upon which the old systems were built. Since the Third Plenary Session of the 11th Party Central Committee, China's reform and opening up to the outside world has been accompanied by emancipation of the mind and the development and breakthrough of theories. In the early 1980's, it was still believed that under the socialist system, there existed only commodity production and exchange—not a commodity economy, which was then viewed as capitalist material. Such a view is, in fact, a Stalinist vestige. The traditional theory has been shattered by the successful implementation of the contract responsibility system that links output to remuneration in China's vast countryside and by the invigoration of urban state enterprises through the pilot project to grant them greater decision-making powers and to allow them to retain a larger share of the profit. The "Decision to Reform the Structure of the Economic System," adopted by the Third Plenary Session of the 12th CPC Central Committee in 1984, has given an explicit summation of the attributes of the socialist economy based on our experiences since the founding of the PRC, especially since the introduction of reform and opening up, and by drawing up experiences and lessons of other socialist countries under the guidance of Marxist theory. The "Decision" pointed out that the socialist economy is a planned commodity economy based on public ownership. This represents a major breakthrough and a new height in the understanding of Marxist theory on the socialist economy. In this way, the development of the commodity economy is regarded as an intrinsic demand of the socialist economy, not a vestige of capitalism; under the socialist system, all of the fruits of labor are commodities, and the law of value is no longer an alien force to socialism. The theoretical innovation and emancipation of the mind have given a strong impetus to advancing China's reform and opening up. The expansion of markets in various places throughout the country have opened up the historic path for vigorously developing the commodity economy. However, debates have continued over whether the socialist commodity

economy is tantamount to a market economy, and whether a market economy is incompatible with planned management. The differences of opinions have directly affected the deepening of reform. The trammels of traditional concepts have hindered efforts to resolve a number of deep-rooted issues in reform.

## II. The Market Economy Is an Objective Demand and a Logical Conclusion of the Existence and Development of the Commodity Economy

The market economy can be regarded as economic activities for distributing social resources through market mechanisms that are in fact the mechanisms and forms for realizing the law of value. Market mechanisms are composed of three factors. 1) The factor of supply versus demand—two opposite but interrelated aspects of the division of social labor. They represent the relations between commodities and currency, between sellers and buyers, and between producers and consumers in markets. Supply and demand are basic elements of the market. 2) The factor of price—a link between the interests of supply and demand and a realized form of value. Price is the core element of market mechanisms as well as the signal and equilibrant of economic operations. 3) The factor of competition—an important milieu for bringing the role of market into play. So-called competition refers to haggling between sellers and buyers over commodity prices and quality in order to win better production and marketing conditions. Competition can enforce the law of value in society and turn the demand for price and quality into the producers' conscious action in line with the principle of superior quality to triumph over inferior quality. These three factors are interrelated and interdependent, and they interact upon each other in realizing the functions of the market, which can be summarized as the following: 1) They can promote technological progress and conserve social resources and labor; this can be realized through manipulation of the disparity between the labor time required of an individual and society as a whole. If, through updating technology and improving management, the labor time required of an individual is less than that of society, extra profits can be obtained from individual labor; otherwise, it will suffer deficits or even be eliminated. 2) They can adjust the distribution of social resources or labor time among various departments; this can be realized through fluctuations of prices and values according to supply and demand. Price is like a signal in markets that guides resources to flow in a direction leading to highly efficient departments and enterprises. These functions of markets are irreplaceable in a commodity economy. Of course, markets are not omnipotent. To ensure the wholesome development of markets, it needs to be placed under macroeconomic planning and regulation.

The above analysis explains that once we recognize that the socialist economy is a planned commodity economy based on large-scale socialized production, then the law of value, marketing, and a market economy will inevitably coexist with the commodity economy. If we negate

the market economy, the commodity economy and the law of value will become abstract theories without means for realization. The commodity economy has come into existence simply because of the objective necessity that the socialist economy is not a closed natural economy, and that under the condition of division of social labor, people need to exchange the fruits of their labor by exchanging their products or commodities. As the fundamental law of the commodity economy, the law of value has also come into existence because of the need for a general code of conduct for commodity producers to conserve and distribute resources under the condition of the commodity economy and forcible competition in society. These are abstract analyses of market activities. In a nutshell, only through the function of market mechanisms can the law of value be realized and implemented in the distribution of resources in a down-to-earth manner. Therefore, only by emancipating ourselves from the traditional concept that equates the market economy with capitalism will we be able to really translate the scientific thesis that the socialist economy is a planned commodity economy, into social practice in the course of reform, thereby going all out to nurture the growth and expansion of socialist markets. Emphasizing the market economy a few years ago, Comrade Deng Xiaoping again explicitly stated recently that the market economy is not tantamount to capitalism. This statement, which represents a new development of the thesis put forward by our party in 1984 that the socialist economy is a planned commodity economy based on public ownership, has enriched the meaning of the Marxist theory on the socialist commodity economy and has put the theory on a more solid footing.

### III. The Connotation of the Market Economy and Its Controllability

Marketing and the market economy are two interrelated and yet different economic categories. Because the market economy is within the general category of marketing, marketing also includes the market economy and refers to the means of distributing resources under the condition of the commodity economy. However, the market economy is different from marketing. The market economy is more concrete and has a higher demand for development than marketing. Markets are where commodity production and exchange take place. In the early days, there were markets wherever and whenever simple commodity production and exchange took place. However, simple commodity production and exchange cannot be called a market economy because such markets were places where each supplied what the other needed and still could not play the role of distributing social resources. However, the market economy demands a higher degree of development in a commodity economy. Along with the socialization and commercialization of production, not only consumer goods but also production elements have become available in markets. As the principal participants in markets, enterprises depend on markets for both procurement and marketing. In organizing production, enterprises purchase all kinds of production elements from markets and

sell finished products through markets. In this way, markets can play the role of regulating the distribution of social resources.

It is thus clear that in terms of internal structure, the market economy consists of consumer goods, production elements, money, labor services, technology, real estate, and other markets. The market economy is a comprehensive system of marketing. A developed marketing system should include three major sectors—a commodity market, a labor services market, and a financial or money market. Guided by the law of value, money in the financial market will lead other production elements to move to departments and enterprises having higher economic efficiency, thereby facilitating effective distribution of social resources and rationalization of the production structure.

The structure of the market economy mentioned above shows that to give play to the function of markets in the distribution of resources, it is necessary to establish and then to improve a socialist system of markets. One of the fundamental tasks of restructuring the economy in China in accordance with the requirements of a planned commodity economy is to cultivate, develop, and improve a socialist market system. This has become our practice in our country's reform. Therefore, why can we not look squarely at this rather explicit question and admit that it is not a capitalist patent? To be explicit, the traditional concept of fear that a market economy is a "capitalist" economy is causing trouble.

During a very long period in the development of capitalism, economic development was accompanied by competition and anarchism and manipulated by the invisible hand of the law of value which operated without guidance. It was compelled to achieve an equilibrium by resolving periodic crises. Along with the further development of socialized production, the capitalist market economy, under various types of state intervention, has gradually developed into a market under management and control. Why must a capitalist market economy be controlled in order to achieve a certain degree of orderly development? This question requires deeper study. The following is a summary of our initial conclusions:

Overall intervention of the economy in the capitalist countries began after the great crisis of the 1930's that centered in the United States. Since the end of World War II, developed countries have generally resorted to various means to intervene in their economic development by adopting such macroeconomic policies as medium- and long-range plans, currency policies, financial policies, industrial policies, and distribution policies. The starting point, conditions, and characteristics of these policies are roughly as follows: 1) The purpose was to alleviate the basic contradictions and the disruptive role of economic crises. Since 1825, economic crises have begun to break out in the capitalist world, averaging once every dozen years. The most serious one, which occurred between 1929-1933, was unprecedentedly



destructive and long. Capitalist industry, represented by the United States, declined by one half in four years. This compelled representatives of capitalism to adopt measures for alleviating contradictions. 2) Keynesianism provided the bourgeoisie with the idea and theoretical basis for forming overall intervention policies. The principal methods were to increase financial investments, expand the construction of public facilities, increase employment opportunities, and increase social demand so as to alleviate the contradiction caused by overproduction and insufficient demand. 3) The development of state monopolistic capitalism created a material basis upon which capitalist countries could enforce a macroeconomic policy. 4) The achievements of the Soviet Union's "5 January" program served as a sort of lesson for capitalist countries. After the great crisis of the 1930's, U.S. President Roosevelt entered the White House. He organized a special body to study how the Soviet Union carried out a planned economy. The New Deal adopted by Roosevelt marked the starting point from which Western countries began to move from a free market economy to overall intervention by the state. 5) The development of capitalist financial markets, their improvement, and the establishment of central banks in these countries provided an economic means for their macroeconomic control. Moreover, the achievements of the new technological revolution provided the technological means for their macroeconomic control.

It can be seen that a truly free market economy free from state macroeconomic control can no longer be found in the contemporary world. Criticizing the nonexistent truly free market economy at this time serves no other purpose than to restrict the development of the socialist commodity economy.

In capitalist countries, macroeconomic intervention reflects the demands of socialized production, alleviates to a certain extent the contradiction between production and demand, and stimulates economic development. Of course, these methods cannot once and for all eliminate basic contradictions and economic crises, but they can continue to improve under new conditions. Nevertheless, we can really learn from the methods of indirect overall control adopted by Western countries and their use of economic means for planned regulation.

Conscientiously studying Comrade Deng Xiaoping's relevant instructions will not only give us the impetus to deepen our country's economic reforms and to vigorously develop and perfect the socialist market system but will also help us to completely reform our system of macroeconomic management and to establish and perfect a method of indirect macroeconomic control. This will lead to the establishment of an operating mechanism that combines planning with markets, and will bring the national economy into a good cycle in which the economy will be controlled, but not stagnant, and will be flexible, but not chaotic.

#### Breakdown by Locality of Loan Use To Clear Debts

OW2606113392 Beijing XINHUA Domestic Service  
in Chinese 1350 GMT 23 Jun 92

[By reporter Xu Kehong (1776 0344 3163)]

[Text] Beijing, 23 June (XINHUA)—The State Council's Leading Group for Clearing "Chains of Debt Default" today issued an urgent circular on further accelerating the clearing of debt chains, as well as a circular on stepping up debt repayment with its own funds. The circulars urge all localities to adopt effective measures to ensure success in clearing debt chains this year.

A responsible person from the general office of the Leading Group for Clearing "Chains of Debt Default" told this reporter: Most provinces and cities have strengthened their leadership over debt-clearing work. As of the end of May, a total of 14.68 billion yuan, accounting for 86 percent of the planned amount, had been used across the country to clear debt chains created by investment in fixed assets. The money successfully cleared 4,673 debts amounting to a total of 45.3 billion yuan, and thus achieved the good result of clearing 3.1 yuan of debt with 1 yuan. Provinces and cities, such as Shenyang, Nanjing, Hunan, Zhejiang, and Anhui, made the debt-clearing money (including funds raised by themselves and bank loans) available quickly and achieved good results in clearing debt chains. Shenyang and Hunan Province persistently used their own funds first in clearing debts before using bank loans, and the funds raised by themselves for the purpose were 101 percent and 106 percent of the planned amount respectively.

The responsible person pointed out: The debt-clearing work in some regions has been unsatisfactory, mainly because some provinces and cities have not adopted effective measures, nor have they made the debt-clearing money, particularly the funds raised by themselves, available quickly. The locally-raised funds in 20 regions were less than 30 percent of the planned target, and they were even less than 10 percent of the planned amount in 10 provinces and cities among those regions (see appended breakdown for details). At present, there is a large amount of funds in the special debt-clearing accounts, but some enterprises are not enthusiastic in repaying debts and thus obstruct the progress of debt-clearing work.

In view of the above-mentioned problems, the two circulars from the State Council's Leading Group for Clearing "Chains of Debt Default" have set specific demands for managing and using the debt-clearing funds well. According to the circulars, the localities may recover their matured loans in accordance with relevant regulations and use some funds from the special debt-clearing accounts in clearing debt chains related to circulating funds for provinces, regions and cities; and the deadline for clearing debt chains has been extended to 20 July. The circulars emphasize: All localities must adopt measures to ensure the fulfillment of this year's

plan for locally-raised debt-clearing funds. Regions which fail to fulfill the plan will be openly criticized; and in addition, the size of the 1993 capital construction and technical innovation investment for them will be reduced.

A breakdown of local funds used in clearing debt chains created by investment in fixed assets (15 April to 31 May 1992):

Results: Bank loans used in debt-clearing accounted for 92.89 percent of the planned amount, local-raised funds accounted for 36.55 percent of the planned amount, and the total debts cleared amounted to 45.29 billion yuan.

**Regional breakdown:**

The bank loans actually used by the Beijing Municipality were 99.96 percent of the planned amount, the locally-raised funds actually used were 5.12 percent of the planned amount, and the total debt cleared was 1.09 billion yuan;

The bank loans actually used by Tianjin Municipality were 106 percent of the planned amount, the locally-raised funds actually used were 35.28 percent of the planned amount, and the total debt cleared was 2.79 billion yuan;

The bank loans actually used by Hebei were 100 percent of the planned amount, the locally-raised funds actually used were 86.29 percent of the planned amount, and the total debt cleared was 2.83 billion yuan;

The bank loans actually used by Shanxi were 99.53 percent of the planned amount, the locally-raised funds actually used were 20.32 percent of the planned amount, and the total debt cleared was 1.31 billion yuan;

The bank loans actually used by the Inner Mongolia region were 84.49 percent of the planned amount, locally-raised funds actually used were 8.36 percent of the planned amount, and the total debt cleared was 1.17 billion yuan;

The bank loans actually used by Liaoning were 73.18 percent of the planned amount, the locally-raised funds actually used were 37.08 percent of the planned amount, and the total debt cleared was 710 million yuan;

The bank loans actually used by Shenyang were 99.77 percent of the planned amount, the locally-raised funds actually used were 101.55 percent of the planned amount, and the total debt cleared was 600 million yuan;

The bank loans actually used by Dalian were 88.16 percent of the planned amount, the locally-raised funds actually used was 9.11 percent of the planned amount, and the total debts cleared was 160 million yuan;

The bank loans actually used by the province of Jilin were 94.32 percent of the planned amount, the locally-raised funds actually used were 27.4 percent of the planned amount, and the total debt cleared was 850 million yuan;

The bank loans actually used by the city of Changchun was 100 percent of the planned amount, the locally-raised funds actually used were 98.87 percent of the planned amount, and the total debt cleared was 300 million yuan;

The bank loans actually used by the province of Heilongjiang were 89.43 percent of the planned amount, the locally-raised funds actually used were 105.13 percent of the planned amount, and the total debt cleared was 1.1 billion yuan;

The bank loans actually used by the city of Harbin were 90.57 percent of the planned amount, the locally-raised funds actually used were 70.09 percent of the planned amount, and the total debt cleared was 790 million yuan;

The bank loans actually used by Shanghai Municipality were 59.89 percent of the planned amount, the locally-raised funds actually used were 7.33 percent of the planned amount, and the total debt cleared was 1.5 billion yuan;

The bank loans actually used by Jiangsu Province were 99.28 percent of the planned amount, the locally-raised funds actually used were 65.85 percent of the planned amount, and the total debt cleared was 2.56 billion yuan;

The bank loans actually used by the city of Nanjing were 100 percent of the planned amount, the locally-raised funds actually used were 120.88 percent of the planned amount, and the total debt cleared was 420 million yuan;

The bank loans actually used by the province of Zhejiang were 96.5 percent of the planned amount, the locally-raised funds actually used were 119.02 percent of the planned amount, and the total debt cleared was 2.04 billion yuan;

The bank loans actually used by the city of Ningbo were 95.62 percent of the planned amount, the locally-raised funds actually used were 77.62 percent of the planned amount, and the total debt cleared was 50 million yuan;

The bank loans actually used by the province of Anhui were 99.94 percent of the planned amount, the locally-raised funds actually used were 69.08 percent of the planned amount, and the total debt cleared was 1.87 billion yuan;

The bank loans actually used by the province of Fujian were 109.41 percent of the planned amount, the locally-raised funds actually used were 1.89 percent of the planned amount, and the total debt cleared was 40 million yuan;

The locally-raised funds actually used by the city of Xiamen were 0.00 percent of the planned amount, and the total debt cleared was 10 million yuan;

The bank loans actually used by the province of Jiangxi were 90.73 percent of the planned amount, the locally-raised funds actually used were 11.7 percent of the planned amount, and the total debt cleared was 1.06 billion yuan;

The bank loans actually used by the province of Shandong were 95.39 percent of the planned amount, the locally-raised funds actually used were 20.45 percent of the planned amount, and the total debt cleared was 2.35 billion yuan;

The bank loans actually used by the city of Qingdao was 99.93 percent of the planned amount, and the total debt cleared was 530 million yuan;

The bank loans actually used by the province of Henan were 96.84 percent of the planned amount, the locally-raised funds actually used were 32.07 percent of the planned amount, and the total debt cleared was 3.06 billion yuan;

The bank loans actually used by the province of Hubei were 100 percent of the planned amount, the locally-raised funds actually used were 88.86 percent of the planned amount, and the total debt cleared was 2.75 billion yuan;

The bank loans actually used by the city of Wuhan were 83.29 percent of the planned amount, the locally-raised funds actually used were 29.52 percent of the planned amount, and the total debt cleared was 580 million yuan;

The bank loans actually used by the province of Hunan were 97.8 percent of the planned amount, the locally-raised funds actually used were 106.76 percent of the planned amount, and the total debt cleared was 1.76 billion yuan;

The bank loans actually used by the province of Guangdong were 90.11 percent of the planned amount, the locally-raised funds actually used were 105.17 percent of the planned amount, and the total debt cleared was 540 million yuan;

The bank loans actually used by the city of Guangzhou were 85.07 percent of the planned amount, the locally-raised funds actually used were 18.25 percent of the planned amount, and the total debt cleared was 260 million yuan;

The bank loans actually used by the city of Shenzhen were 32.76 percent of the planned amount, the locally-raised funds actually used were 0.00 percent of the planned amount, and the total debt cleared was 110 million yuan;

The bank loans actually used by the Guangxi region were 85.57 percent of the planned amount, the locally-raised

funds actually used were 63.23 percent of the planned amount, and the total debt cleared was 1 billion yuan;

The bank loans actually used by the province of Hainan were 5.06 percent of the planned amount, and the total debt cleared was 30 million yuan;

The bank loans actually used by the province of Sichuan were 97.02 percent of the planned amount, the locally-raised funds actually used were 0.84 percent of the planned amount, and the total debt cleared was 2.35 billion yuan;

The bank loans actually used by the city of Chengdu were 98 percent of the planned amount, the locally-raised funds actually used were 70.45 percent of the planned amount, and the total debt cleared was 740 million yuan;

The bank loans actually used by the city of Chongqing were 102.75 percent of the planned amount, the locally-raised funds actually used were 11.73 percent of the planned amount, and the total debt cleared was 1.84 billion yuan;

The bank loans actually used by the province of Guizhou were 74.93 percent of the planned amount, the locally-raised funds actually used were 20.69 percent of the planned amount, and the total debt cleared was 410 million yuan;

The bank loans actually used by the province of Yunnan were 94.15 percent of the planned amount, the locally-raised funds actually used were 7.54 percent of the planned amount, and the total debt cleared was 1.14 billion yuan;

The bank loans actually used by province of Shaanxi were 93.54 percent of the planned amount, the locally-raised funds actually used were 87.44 percent of the planned amount, and the total debt cleared was 1.11 billion yuan;

The bank loans actually used by the city of Xi'an were 78.58 percent of the planned amount, the locally-raised funds actually used were 56.31 percent of the planned amount, and the total debt cleared was 460 million yuan;

The bank loans actually used by the province of Gansu were 71.84 percent of the planned amount, the locally-raised funds actually used were 20.05 percent of the planned amount, and the total debt cleared was 320 million yuan;

The bank loans actually used by the province of Qinghai were 92.4 percent of the planned amount, the locally-raised funds actually used were 61.06 percent of the planned amount, and the total debt cleared was 180 million yuan;

The bank loans actually used by the Ningxia region were 74.36 percent of the planned amount, the locally-raised funds actually used were 10.94 percent of the planned amount, and the total debt cleared was 190 million yuan;



The bank loans actually used by the Xinjiang region were 85.01 percent of the planned amount, the locally-raised funds actually used were 0.00 percent of the planned amount, and the total debt cleared was 320 million yuan.

#### **Trade Minister in Heilongjiang Urges CIS Trade**

*SK2206151092 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 21 Jun 92*

[Text] Sun Weiben, secretary of the provincial party committee, and Shao Qihui, provincial governor, today met with Li Lanqing, minister of foreign economic relations and trade, and his party, who had returned to Harbin from an inspection tour in Heihe and Suifenhe cities. Provincial Vice Governor Du Xianzhong was present at the meeting.

Wang Zongzhang, assistant to the provincial governor and director of the provincial foreign economic relations and trade commission, gave a report on the overall situation in Heilongjiang's foreign economic relations and trade: Heilongjiang's situation in foreign economic relations and trade has become more encouraging this year. After the publication of Comrade Xiaoping's important talks given during his trip to southern China, the provincial party committee and government issued the 14 preferential policies for opening wider to the outside world and accelerating the export-oriented economy, enabling the vast number of cadres charged with foreign economic relations and trade to further emancipate their minds and be determined to upgrade Heilongjiang's foreign trade to a new level based on the reality of the province. The province has adjusted the targets for foreign economic relations and trade decided early this year, changing the province's annual volume of imports and exports from \$2 billion to \$2.2 billion, the economic benefits from the province's exports from last year's level to a level higher than last year's, and the value of the contracts for foreign capital utilization from \$100 million to \$250 million. It also decided to strive for greater progress in opening up multifaceted markets, developing export commodities, building development zones, border open cities, and belt zones along the border, and promoting and supporting industrial and agricultural production. The provincial foreign economic relations and trade commission has decided to experiment with the transformation of the mechanism, the streamlining of administration, and delegation of power to lower levels. It will strengthen the administrative functions of the foreign economic relations and trade departments at the city level, change the nature of those at the county level, and expand the autonomy of town and county enterprises engaged in foreign economic relations and trade to encourage grass-roots enterprises engaged in foreign economic relations and trade to take the road of independent management and responsibility for their own profits and losses.

After hearing the report, Minister Li Lanqing said: The purpose for successfully holding the third China Harbin border trade and local economic talks and build the two

border trade windows of Heihe and Suifenhe is not only to develop Heilongjiang's border trade but also to lay a solid foundation for establishing China's largest trade port and largest passageway for the CIS and East European countries. Heilongjiang Province should achieve success in building the large international passageway. It should be based on its conditions, keep the entire country in view, and build well the various infrastructural facilities to service the large international passageway. We should turn Heihe and Suifenhe cities into northern China Shenzhens with Chinese characteristics.

Li Lanqing emphasized: We should seize the current opportunity presented by the great development in the economic relations and trade with the CIS states to increase China's competitive edges for the economic relations and trade with the CIS and East European countries, carry out work in a down-to-earth manner to get a firm foothold, develop nongovernmental, local, and domestic trade simultaneously with the focus on the development of domestic trade, and establish international trade groups and transnational companies with substantial strength to join hands in the development of the economic relations and trade with the CIS and East European countries.

Minister Li Lanqing and his party left Harbin this afternoon. Major leaders of the provincial party committee and government sent them off at the airport.

#### **BOC President on Overseas Expansion Plans**

*HK2306012892 Hong Kong WEN WEI PO in Chinese 18 Jun 92 p 2*

["Special Interview" by WEN WEI PO's European Staff Reporter Tai Pao-erh (2071 1405 0334): "Interview With Wang Deyan, President of the Bank of China (BOC), on BOC's Role in Hong Kong and Its Expansion Plans"—date not given]

[Text] London 17 Jun (WEN WEI PO)—Bank of China is celebrating the 80th anniversary of its founding this year. Wang Deyan, BOC president, who was on a special trip to London to participate in the initiation ceremony for the new BOC building in London and ceremonies to mark the 80th anniversary of its founding, granted this reporter an interview and gave detailed briefings on the development of BOC overseas operations, the financial issue of Hong Kong's new airport, and BOC's future role in Hong Kong.

#### **Low-Key Participation in Banknote Issuance**

The BOC representative is a member of the new Hong Kong Airport Committee. It was noted in the Sino-British Memorandum initialed last September that BOC would play a role in accommodating funds for the airport. However, Wang Deyan believed that China was worrying about continuous overspending on the new airport project which would result in a heavy burden for the future Special Administrative Region [SAR] Government. The Hong Kong Government should provide data

in greater details on the financial arrangements for the new airport so that the Chinese and British sides may negotiate in friendly cooperation and jointly resolve problems arising from the new airport.

Presently, many foreign banks have asked BOC to participate in loan syndication for the new airport; and some foreign bankers have said candidly that they would have confidence in loan syndication on condition BOC participates.

About BOC Hong Kong Branch's role, Wang Deyan believes that BOC's chief aim in Hong Kong is to sustain the territory's economic stability, prosperity, and development.

In the wake of Hong Kong and Shanghai Bank's (HSKB) registration transferring to London and its purchase of Midland Bank, HSKB's intention to phase out its role as "Hong Kong's central bank" has made itself keenly felt, and the calls for BOC to become a note-issuing bank are increasingly on the rise. BOC will gradually participate in low-key note issuance with symbolic participation and hopes that HSKB and Standard Chartered, the two existing note-issuing banks, will continue to take charge of it.

Based on today's banking operations, note-issuing banks are eligible to be bank guild chairman.

However, Wang Deyan believes that responsibility for post-1997 monetary administration rests with the future SAR government and as a commercial bank, BOC has no intention of participating excessively.

The Hong Kong Government is studying Hong Kong's future monetary framework, and BOC has also offered its opinions. BOC's work in the next step is to make preparations to become a note-issuing bank in Hong Kong.

#### BOC's Steps for Internationalization

Concerning HSKB's plan to purchase Midland, Wang Deyan believes that HSKB's strategy of investing in Britain, with hopes to develop its international operations, is understandable from a commercial point of view, but he hoped that HSKB, which has made money in Hong Kong, will continue to exercise its due responsibility.

Wang Deyan first took office as BOC president in 1985. In the seven years of his tenure BOC assets have more than doubled. He hopes that BOC will develop into "a complete and perfect international bank enjoying a good reputation and capable of providing efficient, complete, perfect, and diverse services."

How far is BOC's reality from President Wang's concept of internationalization?

Wang Deyan believes that BOC's scope for internationalization can be embodied in the following aspects:

- Branch network: BOC has branches and agencies in all major international cities and the distribution of its branch network already falls into the category of major international banks.
- Operational scope: BOC has participated in the financial arrangements for many large projects overseas; for example, Guangdong's Daya Bay Nuclear Power Station is valued at some \$3 billion. The operation of China's national foreign exchange reserve is also taken up by BOC.
- Supporting foreign businessmen's investment in China: BOC is an important force in supporting the policy of reform and opening up and actively encourages foreign investment in China. BOC plays a very great role in providing funds, information, and a bridge. Presently, there are 40,000 foreign-invested enterprises across China of which 30,000 have operational ties with BOC.
- Ties with overseas banks: BOC branches and agencies stationed in various places are working hard to strengthen and increase ties with local banking circles.

#### Ranks 18th Among World's Largest Banks

Today, BOC's assets overseas amount to some \$90 billion and it has nearly 15,000 staff overseas. BOC ranks 18th among the world's largest banks and its London branch is among the few foreign banks which boast its own building in the City [the City of London], as Wu Changgen [0702 7022 2704], BOC London Branch general manager, disclosed.

On the eve of BOC marking the 80th anniversary of its founding, President Wang Deyan looked forward to BOC's development of its overseas operations.

"BOC is to expand its overseas network and operational scope. Its specific plan includes elevating its representative offices in South Korea and Moscow to branches this year and next year respectively. The Italian branch will be founded some time next year, whereas the bank's operations in Indonesia, Vietnam, and other CIS countries will develop somewhat."

"BOC will observe international regulations; its parent bank has already accomplished the 8 percent minimum capital level as well as the capital and assets levels stipulated in the 1992 Barcelona accord, and its overseas branches are working in accordance with local requirements."

With the vigorous economic developments in China, BOC's domestic and overseas operations will certainly make great progress, while BOC President Wang Deyan gets increasingly closer to his goal.

### East Region

#### Fujian Secretary Urges 'Overall Openness'

HK2506145292 Beijing ZHONGGUO XINWEN SHE  
in English 1406 GMT 25 Jun 92

[Text] Fuzhou, June 25 (CNS)—Fujian Province will speed up coastal development and set up zones "along its borders, railway lines and rivers," a move to bring about the realization of an overall openness right across the province, the Secretary of the provincial party committee of the Communist Party of China, Mr. Chen Guangyi, said at the sixth plenary session of the Fifth Fujian Provincial Party Committee.

Mr. Chen said he was convinced that the coastal areas of Fujian have to continue their strategy of developing an export-oriented economy with the exploitation of the central part of the province developing northward and southward along with the development of whole pieces of land based on the current strong foundation with the aim of keeping up with the international economy. Mr. Chen pointed out that the Xiamen Special Economic Zone (SEZ) should keep a tight grip on its construction of a bonded area there by adopting policies specially suitable for a free port and build itself at a faster pace into a modernized port city as well as a financial, trade and information centre with industry as its core, science and technology as its driving force and a well developed tertiary industry.

As for exploitation along the coast, Mr. Chen said Fujian would quicken construction of ports along the northern and southern banks of the Jiulong River at its mouth, the Haicang and Xingling Taiwan investment zones and the Zhangzhou Economic Development Zone, and promote the opening and development of the Min River Delta, making it an important port for the three types of direct communications with Taiwan as well as a comprehensive development zone for industry, commerce and trade, science and technology and tourism. With an economic and technological development zone, the Fuzhou Yuan Hong Investment Zone and a high-tech zone as its core, Fuzhou is quickening the development of tracts along the river and coast while speeding up construction of the Mawei Bonded Area in order to build itself into a modernized open city while at the same time developing the Min River Delta into an open zone featuring unified trade, industry, science and technology, and a developed economy.

Mr. Chen added that the key to development of Meizhou Bay lies in the exploitation of the port and new types of industry and speeding up the development of oil refining, iron and steel, petrochemicals, light textile industries, power stations and piers, thereby gradually forming a comprehensive port city with heavy industry, tourism and processing industry for export as its mainstay. [sentence as published] He stressed that coastal and mountainous areas, if possible, should open bonded storage areas, bonded factories and bonded markets for production. More preferential conditions should be

given to foreign businessmen investing in mountainous areas. Mr. Chen said he hoped exploration and exploitation of forestry and mineral deposits there would proceed at a fast pace. He encouraged cooperation between the coastal and mountainous areas for mutual support and common development in capital, technology, information and resources.

#### Jiangsu's Nanjing Customs Becomes Operational

OW2506133292 Beijing XINHUA in English  
0930 GMT 25 Jun 92

[Text] Nanjing, June 25 (XINHUA)—The Xinshengyu customs office opened up yesterday in Nanjing, capital of Jiangsu Province, to become the 11th customs station along the Yangtze River, the largest river in China.

The Nanjing Xinshengyu Port, which is the largest foreign trade river port in China, has nine berths that can accommodate 10,000-dwt [deadweight ton] vessels and seven berths which can handle 1,000-dwt ships.

With a yearly handling capacity of 9 million tons, the port has navigation links with Hong Kong, Singapore, Malaysia, Australia, Japan and South Korea.

Since 1986 when the port was officially opened to foreign vessels, the number of entering and exiting vessels had increased to 1,129 last year.

In 1988 the port began handling container shipments and in 1991, it handled 35,000 containers.

#### Jiangxi To Enliven Farm Produce Distribution

HK2506104692 Nanchang Jiangxi People's Radio  
Network in Mandarin 1100 GMT 21 Jun 92

[Text] Two days ago the provincial government issued a circular on further enlivening distribution of farm produce. The circular demanded that all localities ensure smooth distribution of agricultural and sideline products, protect peasants' enthusiasm for production, and stabilize and promote agricultural production.

According to the circular, agricultural and sideline products whose prices have been deregulated by the central and provincial government, can be freely sold in the market, buyers and sellers can conclude transactions of their own free will, and agricultural and sideline products can be transported to distant places for sale. State-owned commercial enterprises, supply and marketing cooperatives, agricultural-industrial-commercial combines, self-employed industrial or commercial business households, and peasants can purchase, wholesale, traffic in, and process agricultural and sideline products. No department or unit shall assign quotas of agricultural and sideline products to be purchased by the state. Taxes on killing animals and on quarantine for animals are levied once only at the place of production. Checkpoints and markets are not allowed to impose additional taxes.



Without permission from the provincial government, no department or locality shall set up checkpoints along highways or waterways and no provisional mobile examination [lin shi liu dong jian cha 5259 2514 3177 2914 2686] is allowed. All inspection stations ratified by the provincial government are expected to improve their management.

Inspection stations along highways and waterways shall not check up on agricultural and sideline products, especially fresh or live commodities. Unimpeded transportation of these products must be guaranteed. While performing official duties according to law on the highways, traffic police shall not stop for inspection those vehicles transporting agricultural and sideline products which do not appear to violate traffic regulations. If any vehicle carrying fresh or live commodities violates traffic regulations, the case must be closed within half an hour and the vehicle released.

For peasants who go to cities to deal in agricultural and sideline products, local governments should commit relevant departments to delimit enough space for them in the market for farm produce or in the government-ratified provisional market place, arrange booths for them, and render service.

It is necessary to strictly implement the State Council and provincial government policies on collecting charges. No department or unit is allowed to impose unauthorized charges, apportions, and fees on peasants dealing in agricultural and sideline products in cities.

The people are entitled to report those who violate these regulations. Personnel who are found guilty must be seriously punished.

#### **Shandong Transfers Land-Use Rights to Foreigners**

OW2506175292 Beijing XINHUA in English  
1532 GMT 25 Jun 92

[Text] Qingdao, June 25 (XINHUA)—East China's Shandong Province has transferred land-use rights of 100.9 ha [hectares] of land to overseas investors during the ongoing Qingdao Foreign Trade Fair.

Eighteen contracts involving 70.73 million yuan (about 13.34 million us dollars) were signed during the first five days of the fair in Qingdao city.

It is the first time the coastal province has transferred land-use rights to overseas investors.

Local officials said all land contracted to overseas businessmen is located in coastal areas between Qingdao and Weihai cities and inland city of Tunzhou.

According to regulations made by the provincial department on transfer of land-use rights which encourage overseas investment, the transfer terms range from 40 to 70 years, depending on the uses.

The regulations offer preferential treatment to high-tech projects, infrastructure construction and export-oriented projects.

About 2,800 overseas businessmen including those from Hong Kong, Japan, Taiwan, the United States and South Korea, attended the fair, which is expected to close next week.

#### **Shanghai Offers Land Lease for Overseas Investors**

OW2606082792 Beijing XINHUA in English  
0741 GMT 26 Jun 92

[Text] Shanghai, June 26 (XINHUA)—East China's Shanghai, the country's leading economic center, has seen a rapid increase in land leasing projects for overseas investors so far this year.

According to statistics released by the municipal government, the city approved the leasing of 20 plots of land to overseas investors in the first five months of this year. The total area of land leased in the city so far this year has reached 16.33 ha, nearly equal to the total figure for the previous four years.

A municipal official in charge of land development projects said that 12 out of the 20 plots are located in downtown areas which have out-dated neighborhoods. The official said that overseas investors will spend large sums of money to renovate the areas and develop them into elegant business zones.

Local officials attributed the rapid growth of land leasing projects to the relaxation of the municipality's control on approval of such projects and the increasing interest of overseas investors.

Since April the municipal government has granted to district-level governments the autonomy to approve foreign-funded land development projects valued at five million U.S. dollars or less. The contracts have to be registered with the municipal government, which charges a commission of 15 percent of the total contract value.

#### **Shanghai Mayor Briefs CPPCC Meeting on Pudong**

OW2406100192 Beijing XINHUA Domestic Service  
in Chinese 1108 GMT 23 Jun 92

[Text] Beijing, 23 Jun (XINHUA)—Shanghai Mayor Huang Ju said today at the 20th Standing Committee Meeting of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC]: Substantial progress has been made in developing Pudong after two years of effort. Various policies, laws, and regulations have been improved and implemented; the planning for the new district has been continuously improved; infrastructure construction has been carried out step by step; small development areas to which priority has been given are taking shape; and a number of Chinese- and foreign-funded projects have been started in Pudong.

Briefing members of the Standing Committee of the CPPCC National Committee on the development of Pudong, Huang Ju said: Encouraged by the guidelines of the important talks by Comrade Deng Xiaoping during his tour of south China, people at home and abroad have focused their attention on the New Pudong District since the beginning of this year. An upsurge in developing Pudong and opening it up to the outside world has been started, making fresh progress in five aspects: Ten major urban construction projects have been carried out smoothly. The development of the three small areas of Waigaoqiao, Jinqiao, and Lujiazui is in full swing. From January to May, the New Pudong District approved 105 foreign-funded projects and 104 projects of cooperation with enterprises in inland areas. More than 20 Chinese and foreign financial institutions, including banks, bank branches, financial and insurance companies, and stock exchanges, have obtained approval for starting business in Shanghai or Pudong, with a registered capital of more than 3 billion yuan. The economic development of the new district has noticeably accelerated. The new district's total output value of goods and services for the January-May period reached 3.478 billion yuan, a 22.1-percent increase over the same period last year; its total industrial output value rose 25.6 percent, its tertiary-industrial output value by 20.3 percent, and its total volume of retail sales by 18.5 percent; and its major economic indicators exceeded the municipality's averages.

He said: Spurred by the development and opening up of the New Pudong District, Shanghai's economy has rapidly developed this year, a situation that has not been seen for years. Industrial production and the amount of foreign funds available in Shanghai have also considerably increased.

On the new plan for the development of Pudong, Huang Ju said:

Conscientious efforts should be made to do practical work to promote the development and construction of Pudong. Four major objectives are to be achieved in developing Pudong within the next three years: Ten major projects of infrastructure construction, including the Yangpu Bridge, are to be completed in a comprehensive way to make full preparations for building Shanghai's second international airport in the New Pudong District, a new million-ton-class harbor [bai wan dun ji xin gang qu 4102 8001 0903 4787 2450 3263 0575], and a second subway across the river; the three small development areas of Lujiazui, Jinqiao, and Waigaoqiao should be basically built; it is necessary to introduce thousands of Chinese- and foreign-funded projects and billions of U.S. dollars of foreign investment and to attract a number of well-known multinational consortia and corporations to invest in Pudong; the new district's total output value of goods and services is to increase at an average annual rate of about 15 percent, reaching 12 billion yuan by 1995, which will double its total output value of goods and services from 1990; and tertiary

industries, such as financial business and real estate, should considerably develop.

It is necessary to develop Pudong and Puxi at the same time to accelerate Shanghai's revitalization. We should seize the opportunity for the development of Pudong to implement a strategy of developing Pudong and Puxi simultaneously. By so doing, we will be able to push Shanghai's economic and social development into a new stage. We should try in every possible way to restore Shanghai's role as an economic, financial, and trade center and bring this role into full play to make a greater contribution to the economic development of the country in the next century. In developing Pudong and Puxi simultaneously, four objectives are to be achieved: It is essential to improve the distribution of industries in urban areas—new export-oriented industries and high-technology enterprises with high efficiency and less pollution should be built in the New Pudong District; and residential quarters should also be built for workers and staff members to transform the old urban area of Puxi; at the same time, the industrial structure should be readjusted. While developing Pudong, more investment should be directed into tertiary industries to bring about a coordinated development of primary, secondary, and tertiary industries; the proportion of tertiary industries in the total output value of goods and services should increase from 31 percent at present to 45 percent by the end of the century. Shanghai's secondary industries, especially industrial enterprises, should upgrade their technologies and develop such mainstay industries as automobile, telecommunications, and microelectronics industries; at the same time, traditional industries should be transformed; and efforts should be made to set up new mechanism for economic operation. While developing and building the New Pudong District, Shanghai should develop the market, institute a market system, and gradually develop economic-operation and management mechanisms that meet the requirements for the development of the productive forces. It is necessary to improve the functions of Shanghai as a city and strengthen its economic role in dealing with other areas.

It is necessary to make full use of Shanghai's favorable conditions to serve the purpose of economic development in the Chang Jiang valley. Shanghai should use its favorable conditions in the flow of funds, commodities, and information to serve fraternal provinces and cities in the Chang Jiang valley. The New Pudong District, especially the Waigaoqiao bonded area, is a highly open, free trade zone. We can use this favorable condition to promote the development of an export-oriented economy in the Chang Jiang Delta and areas along the river. In developing industries, the New Pudong District will import advanced technologies from abroad and accept international industrial transfers; on the other hand, it will also use domestic scientific and technological forces to make technical innovations and pass on new technologies to the Chang Jiang Delta and areas along the river to bring about a readjustment of the

industrial structure and the development of industries in those areas. The development of the New Pudong District will also bring about a new level in the economic development of the Chang Jiang Delta and areas along the river through stock exchanges, markets for various goods, new- and high-technology industries, and information services. Meanwhile, through the flow of funds, information, technology, and qualified personnel, economic ties between various areas will become closer and more coordinated, and the use of resources will become more rational.

Huang Ju said: With the implementation of the great project for the development of Pudong, a new leap forward will occur in reform and construction in Shanghai, and we will reach a new stage in these areas. Under the correct leadership of the party Central Committee and the State Council, the Shanghai people are determined to learn from the successful experiences of various fraternal provinces and municipalities in reform and opening up, further emancipate their minds, and redouble their efforts to carry out reforms and open to the outside world. The Shanghai people welcome friends at home and abroad to participate in the development and construction of the New Pudong District.

#### **Better Treatment for Shanghai Returned Students**

OW2506181192 Beijing XINHUA in English  
1437 GMT 25 Jun 92

[Text] Shanghai, June 25 (XINHUA)—Returned students will be free to choose jobs and come and go in Shanghai's Pudong new 350-square-kilometer development zone, according to the local Personnel Bureau.

The students will be provided with apartments and a joint service will simplify their residency registration, the arrangement of jobs for family and applications for research funds.

According to the new policies introduced by the Personnel Bureau of the Shanghai Municipal People's Government, overseas experts will be invited to work in Pudong either temporarily or long term.

To improve its efficiency, the Personnel Bureau has recently set up an office in Pudong which wants about 60,000 people in the next three years with expertise in finance, foreign trade, real estate, accounting and law.

In addition, the new policies stipulate that employees in Pudong may receive higher salaries than those in other parts of Shanghai, China's largest industrial city.

At present there are 66,200 technicians and people with special expertise in the zone.

China decided to open Pudong to the outside world two years ago with the object of turning Shanghai into the financial and trade center for east China and to promote the development of Yangtze Valley.

Pudong enjoys preferential policies similar to those given by the central government to the special economic zones in China.

### **Central-South Region**

#### **Reports Detail Activities of Hubei Secretary**

##### **Chairs Meeting on Reform, Opening**

HK2506065592 Wuhan Hubei People's Radio  
Network in Mandarin 1000 GMT 19 Jun 92

[Text] From 13 to 18 June, the provincial party committee called a meeting for secretaries of prefectural, city, and autonomous prefectural party committees throughout the province. Participants were expected to study further and master the essence of Comrade Deng Xiaoping's recent speeches and the spirit of the recent Central Committee meeting in order to carry them out comprehensively. They were also required to conscientiously discuss decisions jointly made by the provincial party committee and government on expediting reform and opening Hubei wider to the outside world to elevate Hubei's economy to a new stage.

The meeting participants pointed out that as long as we conscientiously analyze our positive and negative experiences, boost our confidence, arouse our enthusiasm, enhance our sense of danger and urgency, seize favorable opportunities, and act in a big way and in a down-to-earth manner, Hubei will be full of promise.

Provincial Secretary Guan Guangfu and Deputy Secretaries Guo Shuyan and Qian Yunlu chaired the meeting in turn. [passage omitted]

Comrade Guan Guangfu made the concluding speech at the meeting. After analyzing and reaffirming the new situation of reform and opening which emerged during the last six months, Guan Guangfu expounded nine problems concerning ways to carry out in depth the spirit of Comrade Deng Xiaoping's important speeches and the central committee meeting and to raise Hubei's reform and opening and economic construction to a higher level.

When addressing the problem of seizing favorable opportunities, Guan Guangfu said that Hubei is now faced with a very favorable opportunity for development. 1) Since Comrade Deng Xiaoping made important speeches during his south China tour, China has entered a new period of hastening reform and opening and economic construction. 2) The central government has given prominence to the development and opening of areas along the Chang Jiang which provides powerful [words indistinct] strength for accelerated development. 3) [Words indistinct] the Three Gorges Project as a symbol of the opening and development of the Chang Jiang economic strip [words indistinct]. 4) With the approval of the central government, Wuhan City will open to the outside world. This will enable Wuhan to



play a positive role in promoting Hubei's economic development as a whole; 5) construction of a number of major projects will also build up great strength for sustained economic development. 6) The internal conditions for accelerated economic development are already available to us. All localities and all units are also presented with minor opportunities. We must work with one mind, display the spirit of fighting to win, and seize every opportunity to develop ourselves.

When talking about emancipating the mind, Guan Guangfu said that the extent to which we liberate our minds has a direct bearing on the speed, range, and quality of reform and opening and economic development. The core of liberating the mind is to persist in seeking truth from facts and to proceed from reality in everything we do. We must pursue without wavering things about which we are positive and do our work in an enterprising spirit. Therefore we must get rid of the influence of erroneous ideas, especially leftism, so that our subjective understanding will conform to the laws governing the objective world. We must enhance our awareness of the importance of focusing on economic construction, adhere to the productive forces criteria, always keep an unyielding grip on the central task of economic construction, and always give priority to [words indistinct]. It is necessary to raise our consciousness of the commodity economy, enthusiastically explore the laws governing the commodity economy, apply the methods of the commodity economy to guide and organize economic activities, and solve deep-seated problems in economic life through reform. We must also enhance our awareness of the need to open to the outside world on every side, boldly draw on the achievements of civilization the world over, assimilate anything at home and abroad which can serve our purposes, including any advanced methods of operation or management techniques which reflect the laws governing modern, large-scale production practiced in advanced Western countries, and expand exchanges with foreign countries in various fields.

On the principles for economic development, Guan Guangfu pointed out that in the face of new opportunities we must make a new breakthrough in ideological guidance and principles for economic development; readjust the economic structure by drawing motivation from economic [words indistinct], strengthened market regulation, and market mechanisms; and focus on adding technological value to products and optimizing the allocation of the major factors of production. In developing products, we should focus on developing products in great demand in foreign countries and on increasing the competitiveness of our products in domestic markets. In their efforts to expand collective economy, counties or administrative divisions above county level should focus on developing light industry. In the meantime they should make great efforts to transform older industry to promote development of light industry. In developing the regional economy, we must exercise appropriate macroeconomic control rather than [words indistinct].

Regarding development speed, Guan Guangfu said that at present, [words indistinct] we can only take a path characterized by high speed and quick results. [passage indistinct]

On readjustment of the industrial structure, Guan Guangfu pointed out that we must define the ideological guidance, that is, we should constantly stimulate rationalization of the industrial structure under the guidance of the state's industrial policies. Rationalization should aim at market needs and be based on readjustments of the product mix and enterprise structures. In the case of Hubei's three industrial sectors, the basic strategy for readjustment is to consolidate and improve primary industry, transform and develop secondary industry, and expand tertiary industry at a great pace.

When talking about effecting a shift in the operational mechanisms of state-owned enterprises and increasing the number of experimental units using the shareholding system, Guan Guangfu stressed that effecting a shift in enterprise operational mechanisms is the key task for current reform as well as the key link of our efforts to transform the economic structure in urban areas. At present, we should carry on work in five fields: deepening enterprises' internal reforms centered on reforming the three systems; focusing on improving the contract responsibility system and increasing the number of experimental units using the shareholding system; separating ownership of enterprises from their management as well as separating the functions and responsibilities of administration from those of management through changing government functions; vigorously nurturing and improving the market; and gradually setting up and improving a social guarantee system. [words indistinct] has selected a number of units to carry out experiments with the shareholding system and the results have been fairly good. All localities and departments should help enterprises conduct experiments with shareholding systems. In the meantime we should increase the number of experimental units in the shareholding system.

Regarding changing government functions, Guan Guangfu pointed out that to commit enterprises to competing in the market, we must reverse the situation in which government departments exercise excessive, rigid, and arbitrary control over enterprises. To change government functions, we must do a good job of the following tasks on our own initiative: 1) streamline administrative structure, delegate powers to lower levels, and return powers to enterprises; 2) follow the principle of rendering large-scale service by small institutions by trimming units and staff; and 3) vigorously simplify work procedures and improve work efficiency.

When talking about the funds needed for economic construction, Guan Guangfu stressed that to alleviate the funds shortage, we must first solve problems concerning the investment mechanism. We must first change the present investment mechanism, which solely relies upon banking institutions, and gradually form

omnidirectional investment mechanisms and a pluralistic main investment body [as heard]; second, hasten financial restructuring, vigorously develop financing business through issuing share certificates or bonds, lift restrictions on the establishment of branches by professional banks and on their scope of operation, and allow appropriate intersections by different business activities and [words indistinct] to set up a lively financial market; third, while persuading the central government to invest in key projects, we should do a good job in [words indistinct]. We should raise funds through various channels, in various forms, and in a flexible way. In addition, we should [words indistinct] and try our best to raise profits and the efficiency of funds.

Regarding qualified people, Guan Guangfu said that we rely upon people to carry out our principles, policies, and decisions, no matter how good they are. We must formulate a policy of using cadres to match our reform and opening policies. At present when we are focusing on economic construction and carrying out reform and opening policies, we should judge cadres in accordance with the three criteria advanced by Comrade Deng Xiaoping—that is, whether they help develop the productive forces of our socialist society, increase our country's overall strength, and raise the people's living standards; make specific the principle of attaching equal importance to ability and political integrity; and dare to help and be good at helping cadres display their strong points and overcome their weak points while not expecting to find perfect cadres. We should promote excellent people, including those who have outstanding strong points as well as some shortcomings, to positions of leadership and should not stick to one pattern. At the same time we must not hesitate to protect talented people. We should lose no time in training all types of qualified personnel desperately needed for reform and economic construction. Again, we should train cadres, especially leading cadres [words indistinct].

Guan Guangfu finally stressed that since the general principles have been laid down and the tasks and objectives defined, party committees and governments at all levels must, in the second half of the year, further study Comrade Deng Xiaoping's important speeches, the guidelines from the central authorities, and the important speeches made by Comrade Jiang Zemin made at the Central Party School; carry out more investigations and studies and exercise closer supervision; and take effective measure to accomplish set tasks. To this end, we must first take actual work done as the principal criterion for appraising the work performance of leading bodies and leading cadres at all levels. Second, party committees at all levels must strengthen leadership over economic work and have the situation well in hand. Third, all localities, departments, and units must originally work in light of their actual conditions. Fourth, special bodies entrusted with full powers must be organized to accomplish major projects or tasks. Fifth, [words indistinct]. Sixth, set up and improve supervisory offices under party committees and governments at all

levels and strengthen supervision over work in all fields. Seventh, rely upon media units to strengthen supervision by public opinion over measures taken to accomplish set tasks.

Guo Shuyan, deputy secretary and governor, also gave a speech. He said that we should develop a sense of urgency toward reform and opening. At present, the situation is both gratifying and encouraging. Hopes stand side by side with difficulties and opportunities coexist with challenges. We must brace our spirits, increase our confidence, seize the opportunity, and take up the challenge. Vigorous efforts should be made to exploit the market, which in turn should serve as a guide to stimulate readjustment of the economic structure and an improvement of product quality. We should make great efforts to run foreign-invested enterprises and development zones well to promote Hubei's economic development. He also called for earnest efforts to achieve fruitful results.

In his speech, Deputy Secretary Qian Yunlu said that the open policy granted to Wuhan also applied to every part of the province. Wuhan should open its doors wider and strengthen substantial economic cooperation with various prefectures, cities, autonomous prefectures, and counties so that both parties will supplement with each other, be beneficial to each other, help each other, develop together, and make progress hand in hand. Wuhan City should adopt a more liberal attitude on this matter. Only when close ties are established between levels and between town and country and when all sectors make concerted efforts to achieve common prosperity will Hubei and Wuhan stand a good chance of success.

#### Addresses Armed Police Work Forum

HK2506095992 Wuhan Hubei People's Radio  
Network in Mandarin 1000 GMT 18 Jun 92

[Text] The First Hubei Provincial Armed Police Corps CPC Congress opened in Wuchang's Hongshan Hotel this morning.

Provincial party committee, advisory committee, discipline inspection commission, and political and legal affairs committee leading comrades, including Guan Guangfu, Ding Fengying, Zhong Shuqiao, Wang Shen, Chen Ming, Zhong Shuqing, Li Jifan, and others, attended the congress.

On behalf of the provincial party committee, provincial party committee Secretary Guan Guangfu delivered a speech at the congress, in which he spoke highly of the role played by the provincial armed police corps since its establishment 10 years ago.

Guan Guangfu warmly praised the provincial armed police corps party committee for its successful contingent building. He stated: The provincial armed police corps party committee has always unwaveringly implemented and safeguarded the party's basic line of one

center, two basic points, adopted a firm political stand, worked in a down-to-earth manner, and carried forward a pioneering spirit. The provincial armed police corps party committee has also been good at guiding work with advanced models and continually fostered and publicized a large number of outstanding and qualified advanced models, such as Hu Jianping, a Lei Feng-type soldier; Li Bozhao, a model Communist Party member; and others who have served as advanced models not only for the provincial armed police troops but also for all the armed police troops across the country. These advanced models are indeed the precious spiritual treasure of the whole society. The provincial armed police corps party committee has also led the troops under its commander in weathering the big tide of commodity economy and in withstanding the rigorous test of opposing bourgeois liberalization and has thereby submitted a satisfactorily completed test paper to the party and the people and positively contributed to the defense of Hubei's smooth economic construction, reform, and opening up. Guan Guangfu called on all the armed police troops stationed in Hubei to conscientiously implement the spirit of Comrade Deng Xiaoping's instruction on simultaneously grasping two aspects, take the lead and act as a shock brigade in maintaining social stability, actively participate in comprehensive social order harnessing, act as a powerful armed deterrent, successfully patrol urban areas, effectively crack down on crimes, strike deep roots among the broad masses of people, and safeguard security wherever they are stationed.

#### **Hubei Supports Three Gorges Projects Construction**

HK2606063892 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0744 GMT 24 Jun 92

[By correspondents Wei Jingsong (7614 0513 2646) and Zhan Xinhai (6124 2450 3189): "Hubei Makes Use of Foreign Capital To Form Cement Group in Support of Three Gorges Project"]

[Text] Wuhan, 24 June (ZHONGGUO XINWEN SHE)—In response to the opening and development of the Chang Jiang economic belt and support of the construction of the Chang Jiang Three Gorges Project, which is to be undertaken soon, Hubei Province has formed a cement group using foreign capital.

According to statistics, the demand of the Three Gorges Project for cement alone will surpass 10 million tonnes. With this amount, plus the opening and development of the Chang Jiang economic belt, the demand for high-grade cement will be extremely huge. To adapt itself to the new situation, the Hubei Provincial Government has decided to form a cement group led by the Huaxin Cement Plant.

As the "leading enterprise" of the Hubei Provincial Cement Group, the Huaxin Cement Plant was once dubbed China's "cradle of cement" and the "Number One Cement Plant in the Far East." Its main products, the "Five-Ram Brand" and "Fortress Brand" high-grade

cements, which are state gold medal winners, sell well in Hong Kong and Southeast Asia. Two-thirds of the cement used by the well-known Gezhouba Project were supplied by the plant.

On the basis of its current capacity of 1 million tonnes of high-grade cement a year, the Huaxin Cement Plant has recently built a daily 2,000-tonne production line for high-grade clinker [shu liao 3578 2436] using the Danish Government-granted loans worth \$10 million and 300 million yuan in self-raised funds, thus enabling the plant to turn out more than 1.7 million tonnes of high-grade cement a year. At the same time, the government spent an additional 750 million yuan forming a shareholding cement enterprise in Jicheng City, which is about 80 km away from the Three Gorges Project, and invested and set up a cement powder plant with a capacity of 700,000 tonnes a year in Nantong, Jiangsu. According to a calculation by related people, the formation of the Hubei Cement Group will boost the province's cement output to 5 million tonnes a year in the year 2000.

It has been reported that the formation by Hubei Province of the cement group has enormously interested people in the building materials industry in Hong Kong and Taiwan. A number of big companies have expressed their intentions to invest.

#### **Southwest Region**

##### **Sichuan Sells Commodity Housing to Foreign Firms**

OW2306170092 Beijing XINHUA in English  
1519 GMT 23 Jun 92

[Text] Chengdu, June 23 (XINHUA)—Chengdu city recently conducted a housing sale to a Hong Kong company starting a real estate service for overseas workers.

The 624 apartments which are near the U.S. Consulate in Chengdu city, have a total floor area of 40,000 square meters. They conform to international standards in design and appearance.

A municipal government official noted that the construction and the sale of high-standard housing is one of the city's measures to improve the investment environment.

In the last year, overseas investment in Chengdu increased in momentum averaging one foreign-funded enterprise authorized daily.

The governor of Sichuan Province, Zhang Haoruo, said the investment environment of Sichuan Province has greatly improved in recent years. Big efforts have been made in power and communication construction.

Chengdu is planning to build more housing and villas to sell to overseas enterprises and individuals.



### Sichuan's Chengdu Executes Drug Traffickers

HK2606034192 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1243 GMT 25 Jun 92

[By reporter Xiao Longlian (5618 7893 5114)]

[Text] Chengdu, 25 Jun (ZHONGGUO XINWEN SHE)—This morning, at 1000, 140,000 grams of heroin were thrown into 10 huge iron pots and burned at the Sports Center of Chengdu City.

Today, the Chengdu City Intermediate People's Court held an antinarcotics sentence-announcing rally in Chengdu City. Zhu Pinxiong and four other criminals were sentenced to death and were immediately executed for the seriousness of their crimes; Yang Boshou and seven other criminals were sentenced to death with a two-year reprieve; Duan Guoping and two other criminals were sentenced to life imprisonment and a set term of imprisonment. Two of the criminals are female and were sentenced to life imprisonment and 15 years' imprisonment separately.

### Tibetan Committee Publishes Culture, History Data

OW2606035692 Beijing XINHUA in English  
0253 GMT 26 Jun 92

[Text] Lhasa, June 26 (XINHUA)—The Tibet autonomous regional committee of the Chinese People's Political Consultative Conference (CPPCC) has collected data on culture and history and published 16 issues of the "Tibetan Data of Culture and History" in the Tibetan and Han languages.

The regional committee of CPPCC resumed its culture and history data research committee in 1981 and started to collect data on the Tibetan upper strata, religious sects and other representatives in all historical periods. The data covers politics, military affairs and culture and records important historical events.

The published data has been issued in six countries and regions.

The regional government has allocated nearly one million yuan, audio-video equipment and motor vehicles to help collect the information.

### Tibet Builds Satellite Communications Network

OW2606082692 Beijing XINHUA in English  
0751 GMT 26 Jun 92

[Text] Lhasa, June 26 (XINHUA)—The Tibet autonomous region, which used to depend on postmen on horseback in its communications with each other until middle of this century, has now built an advanced satellite communications network.

Located on a plateau, the autonomous region covers an area of 1.2 million square kilometers sparsely inhabited by 2.2 million people. As a result, it was quite difficult for the local people to communicate with each other.

Over the past decades, the regional post and telecommunication department has taken great efforts in promoting the development of telephone use among the vast agricultural and animal husbandry areas. However, there were still some remote areas left out of reach of the telephone lines.

Since the 1980s, with the support of the central government, the regional government has strengthened the development of the satellite communications network.

Up to the end of the Seventh Five-Year Plan Period (1986-1990), Tibet had built nearly 300 satellite ground stations and opened long-distance telephone lines reaching all the areas in the autonomous region.

Last year, the regional post and telecommunications department imported advanced equipment from the United States to establish 58 small-sized satellite ground stations, which expanded and perfected the satellite communications network in Tibet.

### Yunnan Authorities Crack Down on Drug Trafficking

OW2206152192 Beijing XINHUA in English  
1440 GMT 22 Jun 92

[Text] Kunming, June 22 (XINHUA)—The public security forces in Yunnan Province have cracked down eight major drug-trafficking cases in the last two months and arrested 13 smugglers from late May to early this month.

A total of 163.4 kilograms of refined narcotics were discovered plus ten rifles, 1,641 rounds of ammunition and four grenades. Five of the drug traffickers are Burmese.

Among the eight cases, three took place in Linchang Prefecture. Local police and militia cooperated with the police in the operation.

### Efforts Praised

OW2506081392 Beijing XINHUA Domestic Service  
in Chinese 0246 GMT 24 Jun 92

[By reporter Luo Ping (5012 5393)]

[Text] Kunming, 24 June (XINHUA)—Public security organs in Yunnan Province have intensified their efforts to crack down on narcotic trafficking, achieving remarkable results in investigating and solving cases and seizing narcotics. From late May to early June, eight serious cases of narcotic trafficking involving more than 10 kg of narcotics each were uncovered in the province, and 13 narcotic dealers arrested (five of them are Burmese). Meanwhile, 163,376 grams of highly processed narcotics, 10 army rifles, 1,641 rounds of ammunition, and four grenades were seized. A congratulatory message from the Ministry of Public Security praised those organs by saying: "You have made tremendous achievements, fully displaying Yunnan public security organs' capacity in cracking down on narcotic trafficking."

During the days from late May to early June, the achievements made in Lincang Prefecture in cracking down on narcotic trafficking were particularly outstanding. In the prefecture, three serious cases involving more than 10 kg of narcotics each were consecutively unearthed from 27 to 31 May; 74,930 grams of narcotics were seized, and eight offenders arrested (three of them Burmese).

Quite a few such cases were uncovered with information provided by the masses.

### Northwest Region

#### GANSU RIBAO Urges Economic Development

HK2406141592 Lanzhou GANSU RIBAO  
in Chinese 1 Jun 92 p 1

[Commentator's article: "Development Is An Absolute Truth"]

[Text] Over the past 10 years or so since we carried out reform and opening up, various economic construction projects in industry, agriculture, and other areas have been developing fairly rapidly and our people's living standards have markedly improved. This has promoted social progress and political stability. When we mention all this, we win universal praise. People speak approvingly of the benefits brought to them by reform and opening up. Actually, they wish to maintain the good momentum of sustained, stable, and coordinated development of our economic construction. The reason is very simple: Only by developing the economy can the improvement of our people's living standards and the development of various undertakings be guaranteed.

Under normal conditions, it is necessary for us to maintain a certain speed of development in our economic construction. Since socialism must satisfy the increasing material and cultural needs of the people, social wealth accumulation must be constantly increased. We should realize that our province's economic development has lagged far behind the coastal areas. There is also a gap between our province and some provinces around us. We must maintain a faster rate of economic growth. Only thus can we gradually narrow the gap between us and those advanced areas. This is a task entrusted to us by the objective situation.

Economic development observes an intrinsic law. The rate of economic development determines the situation of actual economic strength. It is, in turn, determined by the level of actual economic strength. Our province has poor foundations to start with and has difficulties regarding financial incomes. In economic construction, we must observe the principle of "first, feed the people and second, promote construction" and act according to our capability. If our financial and material resources permit, and various undertakings develop in a proportional and coordinated way, it is completely possible for us to accelerate our economic development. If favorable

financial and materials do not exist, and disproportion has occurred in the development of various undertakings, we must first solve the problem of feeding the people. In the meantime, it is necessary for us to readjust our production setup through improving the economic environment and rectifying the economic order, so that we can accumulate strength for faster development in the future. Under such circumstances, we cannot but slacken our speed. Whether we accelerate or slacken our speed, there should always be development and progress every year. We should maintain a certain growth rate rather than stagnate or regress. A few years ago, even during the period of economic improvement and rectification and stable and coordinated development, every year our province also maintained a certain growth rate in its economic development. Therefore, stability and coordination are only relative, whereas development is an absolute truth. Just as Comrade Deng Xiaoping has pointed out: In a certain stage, we always seize on a favorable opportunity to accelerate our economic construction for several years. When we discover problems, we promptly deal with them. After that, we continue to advance. Fundamentally speaking, if conditions permit, we should strive to speed up our development. When our actual economic strength has been augmented, we will have the initiative to solve various kinds of contradictions and problems.

We should realize that seizing on a favorable opportunity in a certain stage to accelerate for several years is intrinsically different from the "big leap forward" which violated economic law. We cannot lump them together. Quality and efficiency are the prerequisites of our acceleration of development. We do not encourage impractical or inefficient high speed. We neither concentrate on construction projects alone nor carry out duplicate projects. Acceleration means quietly immersing ourselves in hard work and working in a down-to-earth manner, rather than making vain efforts or shouting empty slogans. Any confused ideas in this regard will cause misunderstanding. We will thus become too cautious and scared to emancipate our minds or for our hands and feet to be unfettered. As a result, the favorable opportunity for development will be missed.

The task of economic improvement and rectification, conducted a few years ago, has now been basically completed. The relations between the various quarters have been basically straightened out. In addition, we are facing favorable international and domestic situations. It is time for us to speed up our economic development. We should seize on this favorable opportunity and grasp this good development stage to truly accelerate the pace of our province's economic development. The central authorities have called on us to push our economic construction to a new height once in several years. In light of this spirit, our provincial authorities have also set our short-term objectives and measures. In light of their actual conditions, various localities must also emancipate their minds and boldly explore ways to speed up economic development. They

must further implement the measures for reform and opening up with the aim of further emancipating the productive forces. Therefore, our understanding must not always remain at the level of "steady steps." We must never "hesitate about whether or not to go forward." We must not think that backward areas can feel at ease and justified in maintaining low speed for a long time. On the contrary, since we are backward, we must take faster steps. While speeding up economic development, not everything is ready. We will face some difficulties. With the foresight of reform and opening up, we should once again understand and discover ourselves, broaden our views, exploit our own latent strong points, and stick to the road of relying on scientific and technological progress and improving the quality of our laborers. In so doing we will be able to overcome difficulties, create favorable conditions, and take faster steps. Of course, conditions and the situations in different localities vary. They cannot accelerate their growth at the same rate. In places where conditions are favorable, we must promote progress as fast as we can. Through solid work and strenuous efforts, many localities in our province must strive to advance faster than they did a few years ago. It is completely possible for them to do so. If we can take bigger steps in economic construction in the coming two years, we will lay a more solid foundation for accelerating our province's economic development during the last three years of our "Eighth Five-Year Plan."

#### **Song Hanliang Addresses Closing of Xinjiang Forum**

OW2606094092 Urumqi Xinjiang Television  
Network in Mandarin 1655 GMT 24 Jun 92

[From the "Xinjiang News" program]

[Text] The Xinjiang Uygur Regional Conference of Party Representatives closed in Urumqi today after a three-day session.

Giving full reign to democracy and implementing the principle of democratic centralism, those attending, after thorough deliberations and discussion, elected 36 representatives who will represent Xinjiang at the 14th National CPC Congress. Carrying with them the great trust of the more than 700,000 party members in Xinjiang, these 36 representatives will gloriously attend the 14th National CPC Congress, scheduled to be convened during the fourth quarter of this year.

The conference elected Liu Teng to be member, and Naiyimuyasheng and Qin Guoxue to be alternate members, of the fourth regional party committee.

Song Hanliang, secretary of the Xinjiang Regional Party Committee, addressed the closing session. He reviewed the work during the first half of the year, and said that, during the second half of the year, special attention should be directed to work in the following areas:

First, we should earnestly study the important speeches which Comrade Jiang Zemin gave at the Central Party School, and thoroughly understand and fully implement the guidelines in Comrade Deng Xiaoping's important talks. Song Hanliang said leading cadres at all levels must continue to emancipate their minds; seek truth from the facts; catch up with the new situation brought about by expeditious reforms and opening up; and change their thinking, strategy, policies, and manner of doing work. In terms of thinking, leading cadres in Xinjiang must be determined to make progress and be ready to compete. In terms of strategy, they must make use of Xinjiang's good geographical location and its rich natural resources and promote trade so that production can be developed. In terms of policies, they must carry out all policies boldly, properly, and flexibly. As for their work, they must work vigorously and exert genuine efforts to accomplish their assignments until actual results have been achieved.

Second, we should speed up Xinjiang's pace in opening to the outside world, taking advantage of the opportunities presented by the fact that six cities—Yining, Tacheng, Bole, Urumqi, Kuitun, and Shihezi—have already been opened to the outside world.

Third, we should intensify reform and strive to achieve new progress in all reform programs.

Fourth, we must focus our attention on economic construction and make sure that Xinjiang's economic development will proceed in a sustained and steady manner in all fields.

Fifth, we must continue to strengthen solidarity among people of all nationalities and continue to exert efforts to maintain stability in Xinjiang so that we can create an environment good for the reform and open policy as well as economic development.

Sixth, the party must provide stronger leadership and make sure that all assignments for 1992 are accomplished.



**Reports on Russian Admirals' Visit Changed**

HK2506084292 Hong Kong MING PAO in Chinese  
25 Jun 92 p 8

[Report: "XINHUA Changes Reports on Russian Admirals' Visits to Taiwan"]

[Text] Yesterday big waves rose about the already revealed visits a few days ago of two Russian admirals to Taiwan, who met with Executive Yuan President Hao Po-tsun. The Russian authorities flatly denied the admirals' visits to Taiwan and the Chinese official XINHUA NEWS AGENCY also speedily reported the news of the Russian authorities "refuting the rumors." But six hours later, the XINHUA NEWS AGENCY dispatched a news report correcting the original headline to "Russian Authorities Reiterate They Will Not Conduct Official Contacts With Taiwan." (The original headline was "Russia Denies Retired Admirals' Visit to Taiwan").

At 1042 yesterday, an official XINHUA report from Moscow said that Sergey Yastrzhembskiy, chief of the Russian Foreign Ministry's News Bureau, pointed out on 23 June that foreign reports on two retired Russian admirals' visits to Taiwan "were opportunistic and did not correspond with facts."

This XINHUA report also quoted the News Bureau chief as saying: Russia maintains "Taiwan is an inseparable part of Chinese territory and the PRC Government is the sole legitimate government of China, therefore Russia does not conduct any official contacts with Taiwan."

But at 1631, the XINHUA NEWS AGENCY dispatched another news report correcting the original headline to "Russian Authorities Reiterate They Will Not Conduct Official Contacts With Taiwan," hazily evading the crucial point of whether there are Russian admirals visiting Taiwan.

According to news from Taipei, Russian Admiral Sidorov is visiting Taiwan with three other people. They met Taiwan Executive Yuan President Hao Po-tsun on 23 June and exchanged a wide range of views on future bilateral relations and global strategy. Prior to this, they also met Chang Hsiao-yen, vice minister of the Taiwan Foreign Ministry.

In Taiwan, Russian Admiral Sidorov said that Russia is considering arms sales to Taiwan. But he stressed that Taiwan should not focus too much on arms sales because the East-West Cold War has just ended and the U.S. and Russian heads of state have just discussed nuclear arms reduction.

The Russian admiral took an interest in Taiwan's ship-building and ship dismantling industries, and the Taiwan Area Old Ship Dismantling Federation welcomed old Russian ships to Taiwan for dismantling.

Before its disintegration, the Soviet Union had more than 600 large naval vessels. After Soviet disintegration and the end of the Cold War between the Eastern and

Western blocs, Russia intended to sell or dismantle some of its vessels, which drew the attention of the international ship dismantling industry.

The Taiwan Area Old Ship Dismantling Federation pointed out that if old Russian ships are dismantled in Taiwan, Taiwan's ship dismantling industry would be able to assimilate it and this is also useful for the island to obtain raw materials for its electric furnace steel processing.

**More Mainland Scientist Groups To Visit Taiwan**

OW2606090092 Beijing XINHUA Domestic Service  
in Chinese 1419 GMT 24 Jun 92

[By reporter Zhuo Peirong (0587 1014 2837)]

[Text] Beijing, 24 June (XINHUA)—It has been learned that two more groups of mainland scientists will soon visit Taiwan by invitation, following a recent visit by the first batch of mainland scientists.

Of the two groups, the first will include four seniors of science and technology circles. They are physicist Zhao Zhongrao [6392 1813 1031], geologist Huang Jiqing [7806 3078 3237], biologist Tang Peisong [3282 0160 2646], and physiologist Feng Depei [7458 1795 1014]. Because of their advanced age, they will be accompanied by several students to look after them during the trip. They are expected to make their trip in July.

The other group of mainland scientists to visit Taiwan will be made up of mathematicians Wu Wenjun [0702 2429 0193], Gu Chaozhao [6253 6389 6275], and their wives, who are expected to make their trip in September.

Chemist Zhang Cunhao, who just returned to Beijing from Taiwan, said that the exchange of science and technology between the two sides of the Taiwan Strait is now the trend of the times. With this beginning, the exchanges will certainly continue to develop. He hopes that the two sides will make further efforts in this regard. He believes that exchanges could be carried out between research institutes, academic institutes, and mass organizations in the field of science and technology.

Agronomist Lu Liangshu and physicist Li Lin, who returned from Taiwan along with Zhang Cunhao, said that the channel remains blocked despite the breaking of the ice. They hope that the Taiwan authorities will proceed from reality to simplify the formalities as far as possible, so as to create even better conditions for scientific and technological exchanges across the Taiwan Strait. [Beijing XINHUA in English at 1548 GMT on 24 June in a similar reports adds the following: "Exchanges of scientists between mainland and Taiwan made a breakthrough in recent two months."

Professor Ta Yu Wu [Wu Ta-yu], the highest level Taiwanese scientist to visit mainland, paid a visit to the mainland for nearly a month during late May and June."]

**Northeast Provinces Attract More Taiwan Funds**

OW2606013092 Beijing XINHUA in English  
0049 GMT 26 Jun 92

[Text] Shenyang, June 26 (XINHUA)—More and more Taiwan investors are looking to the three northeast China provinces as bases for profitable investment.

The northeast has rich natural resources, a sound industrial network and a favorable investment environment.

By the end of March this year, Liaoning Province had a total of 176 enterprises involving a total investment of 252.91 million U.S. dollars, 97.41 million U.S. dollars of which was from Taiwan.

Taiwan-funded firms now cover one tenth of the total firms involving overseas funds in Liaoning. The biggest project has an investment of over 26.8 million U.S. dollars.

The number of Taiwan-funded enterprises in Heilongjiang Province increased from 33 in August last year to 75 by the end of March this year. The funds from Taiwan totalled 45 million U.S. dollars.

Jilin Province, a big producer of grain, ginseng and pilose antlers, now has 32 Taiwan-funded firms with a total investment of 43.31 million U.S. dollars, 19.42 million came from Taiwan. Another 30 projects involving Taiwan funds are at present under negotiation.

**MAC Official on Beijing Nonaggression Pact***OW2606091692 Taipei CNA in English  
0807 GMT 26 Jun 92*

[Text] Taipei, June 26 (CNA)—Talks about signing a non-aggression pact between the two sides of the Taiwan Straits should not begin until official contacts can be made in accordance with the national unification guidelines, a ranking Mainland Affairs Council [MAC] official said Thursday.

MAC Vice Chairman Kao Kung-lien was commenting on news reports that earlier this week Peking proposed talks between "representative figures" from the two sides of the straits over signing a truce accord.

Kao said it would not be appropriate to hold such talks until the government sees that the time is ripe to pursue the medium-range goals of the guidelines, which call for official contacts between Taiwan and the mainland to promote mutually beneficial cooperative programs.

If cross-strait relations have reached a "statutory" or "institutionalized" stage, Peking would not have made such a proposal through the media, Kao said.

The MAC official said that even if the two sides are to send representatives to such talks, they should first make clear the "level of representation."

The reports about the Peking proposal have not been confirmed, Kao pointed out.

**German Lawmaker Urges Sale of Warships to Taipei***OW2606091392 Taipei CNA in English  
0814 GMT 26 Jun 92*

[Text] Bonn, June 25 (CNA)—A German lawmaker called on his government Thursday to sell 10 warships to Taiwan in order to save the shipbuilding industry in the former East Germany.

Ortwin Lowack, a member of the Bundestag, also urged Bonn to set up diplomatic ties and direct air links with the Republic of China [ROC] on Taiwan.

Lowack told a parliament foreign affairs committee meeting that the sale of navy ships to Taiwan could salvage the shipbuilding industry in eastern Germany.

The committee held a debate on whether to lift controls on export and economic aid to communist China. The clampdown has been enforced since the June 4, 1989 Tiananmen massacre.

Lowack said he opposed the lifting of the controls because Peking's human rights records have remained poor since the June 4 tragedy.

On the other hand, the independent lawmaker said, Germany should change its China policy and consider establishing official ties with the Republic of China on Taiwan.

Setting up formal ties with Taipei will not harm the interest of communist China, Lowack commented.

Moreover, he added, Germany should not ignore the far-reaching influence of Taiwan on Mainland China in the future.

**Taipei Donates Medical Supplies to Byelarus***OW2606091592 Taipei CNA in English  
0817 GMT 26 Jun 92*

[Text] Taipei, June 26 (CNA)—The Government of the Republic of China [ROC] donated US\$500,000 worth of medical supplies to Byelarus Friday morning.

Director General Chang Po-ya of the Department of Health (DOH), on behalf of the ROC Government, made the donation to Byelarus First Deputy Health Minister Nikolay Stepanyenko, who represents his government, in a ceremony held at the DOH headquarters.

The medical supplies, in more than 30 categories, included antibiotics, diuretics, tranquilizers, and syringes.

The Taiwan Band Aid Co. also donated US\$40,650 worth of gauzes and bandages to Byelarus during the ceremony.

**Foreign Ministry Opens Airport Visa Counter***OW2506104292 Taipei CNA in English  
0809 GMT 25 Jun 92*

[Text] Taipei, June 25 (CNA)—The Ministry of Foreign Affairs has opened a counter at Chiang Kai-shek International Airport to handle landing visa applications, a ministry official said Wednesday.

The counter received five applications Wednesday, including one from a Salvadoran agricultural administrator, the official said.

The office, however, won't formally begin operations until July 1, the official said.

The office on the third floor of the arrival lounge in the southern wing of the airport terminal is established for the convenience of foreigners intending to make an improvised legitimate stopover in Taiwan, the official noted.

**Ministry Reports Economy in 'Good Shape'***OW2506114492 Taipei CNA in English  
0753 GMT 25 Jun 92*

[Text] Taipei, June 25 (CNA)—The Taiwan economy remains in good shape despite slower growth in exports and industrial output in May, the Ministry of Economic Affairs (MOEA) reported Wednesday.

Official tallies show that May's exports increased a mere 2.9 percent over the year before, far lower than April's annual gain of 28.8 percent. May's industrial production



index rose 3.73 percent from the year-earlier level, also lower than April's 6.5 percent rise.

The two lackluster growth rates have prompted some people to worry about a slowdown in the domestic economy. MOEA officials noted, however, that the worry is unwarranted.

The officials explained that monthly Taiwan exports remained at high levels from May through December last year, ranging between US\$6.5 billion and US\$7 billion. The relatively high comparison base thus led to an unimpressive annual growth rate for this May, they added.

Similar trend was seen in industrial production, the officials said. Brisk exports fueled a remarkable growth in industrial output in May 1991. This May's slower growth was therefore understandable, they noted.

The officials went on to say that the annual export growth rates for the remaining months of the year won't be high, but imports are expected to grow more significantly. As a result, they said, the country's trade surplus may decline steadily in the months ahead.

In May, Taiwan enjoyed a trade surplus of US\$900 million, far less than last May's US\$1.6 billion. Plummeting foreign trade surplus is not necessarily a curse to the local economy, the officials said, adding that slimmer trade surplus may help stabilize the value of the already strong new Taiwan (NT) dollar and thus help maintain Taiwan's export competitiveness.

The steady appreciation of the NT dollar resulted in decreases in export, import and wholesale prices in May, but consumer prices continued their upward spiral, the officials noted.

May's consumer price index climbed 6.1 percent from the year-earlier level, similar to April's annual growth of 6.14 percent, the officials said. The rise was attributable to hikes in food prices.

Meanwhile, the private Taiwan Institute for Economic Research predicted Wednesday that the local economy will grow at least 7 percent this year as projected.

The institute said domestic demand has become a major force behind Taiwan's economic growth. Consumer spending posted an annual gain of 9.14 percent in the first quarter of the year.

#### **KMT on Power To Disband Political Party**

OW2606091792 Taipei CNA in English  
0810 GMT 26 Jun 92

[Text] Taipei, June 26 (CNA)—The ruling Kuomintang (KMT) agreed Thursday to a Democratic Progressive Party demand that the executive branch should not have the power to disband a political party.

After repeated discussions, the KMT decided to amend the civic organizations law in such a way that only the constitutional court will be empowered to dissolve a political party.

The opposition party worries that it might be dissolved by the executive branch if the latter is given the legal power to disband civic organizations, including political parties.

Wang Chin-ping, KMT whip at the Legislative Yuan, said after a meeting with Executive Yuan officials that the KMT officials agreed to meet the DPP demand in consideration of the current political condition.

With the KMT conceding the key point in the amendment of the law, bipartisan negotiations over the matter continued for the last time Friday morning.

#### **Prime Minister on Citizens' Industriousness**

OW2606091892 Taipei CNA in English  
0827 GMT 26 Jun 92

[Text] Taipei, June 26 (CNA)—Mainland China will catch up with Taiwan in economic development in a few years if local people lose the industrious spirit, Premier Hao Po-sun warned Thursday.

Hao said at a weekly cabinet meeting local people should drop their established view that Mainland China's economic development is lagging far behind that of Taiwan.

In fact, Hao said, the mainland economy is gaining steam for rapid growth. Coastal southeastern mainland provinces, for instance, have registered double-digit economic growth annually in recent years.

"Although we need not be overwhelmed by a communist-phobia," the premier stressed, "we should not become intoxicated with our current achievements."

Hao directed the Ministry of Economic Affairs and the Mainland Affairs Council to closely watch economic developments on the other side of the Taiwan Straits so that the government can adjust its trade and industry policy in time to maintain Taiwan's competitive edge over the mainland.

The premier said local enterprises should continue to pursue progress in production technology and product quality in order to maintain their niches on world markets.

He also urged local people to bring traditional virtues of industriousness and devotedness to their jobs.

The premier pointed out that Japan's outstanding economic achievement after World War II is largely attributable to the great spirit of devotedness and good work ethics demonstrated by Japanese enterprises and workers, in addition to their successful marketing and development of high technology.

Hao said although Taiwan's per capita national income will reach US\$10,000 by the end of this year, the figure is still far less than Japan's. "We'll never catch up with Japan if we lose the industrious spirit," he added.

He further pledged that the government will work to create a favorable investment climate in order to persuade local entrepreneurs to keep their business roots at home.

Hao said socio-economic stability is key to stimulate private investments and sustain the country's economic development.

"All government agencies should make concerted efforts to create a stable environment for private enterprises to develop their business on a long-term strategy," the premier noted.

Hao stressed that the government is obliged to lay out a legal framework to ensure healthy and orderly economic development here.

"Administrative agencies must adopt clear-cut policies on major public issues to eliminate uncertainty and instability in our society," the premier said.

He also urged government officials to take a just, unbiased position in handling public affairs. Government authorities, for instance, should not sit idle and let some people use illegal means for personal benefits.

#### **Central Control of Tobacco, Wine Suggested**

*OW2606091992 Taipei CNA in English  
0818 GMT 26 Jun 92*

[Text] Taipei, June 26 (CNA)--The Taiwan Tobacco & Wine Monopoly Bureau [TTWMB] should be put under the supervision of the central government, instead of the Taiwan provincial government, the Finance Committee of the Legislative Yuan resolved Thursday.

The Finance Committee said in a resolution that TTWMB should be put under the central government within three years and be reorganized into a corporation.

**Commentary on '1992 U.S.-Hong Kong Policy Act'**  
*HK2606074092 Hong Kong WEN WEI PO in Chinese*  
27 Jun 92 p 11

["Special commentary" by Tung Hsing (4547 5887): "Substance of Interfering in Hong Kong's Affairs Has Not Been Changed—Commenting on '1992 U.S.-Hong Kong Policy Act'"]

[Text] On 21 May, the U.S. Senate passed the "1992 U.S.-Hong Kong Policy Act." Although this act includes some revisions of the original bill, its essence of political interference in Hong Kong's affairs using the excuse of protecting U.S. economic interests in Hong Kong has not changed. Therefore, the Chinese Government and people and people of insight in various circles of Hong Kong naturally expressed strong opposition to it.

#### Acting Willfully

In September 1991, Republican Senator Mitch McConnell submitted the "U.S.-Hong Kong Policy Bill" to Congress. The bill specified that after 1997, the U.S. Department of State would be required to submit to Congress every year a report on the implementation of the Sino-British Joint Declaration and human rights conditions in Hong Kong as grounds for the United States' "reactions" on a year-by-year basis. Because the bill flagrantly interfered in China's internal affairs, it was natural that it met with the Chinese Government's serious concern and strong reactions. The Chinese side hoped that the U.S. side would reconsider this issue from the overall interests of Sino-U.S. relations. However, McConnell did not change his mind. In late April this year, he went to the trouble of traveling the long distance to visit Hong Kong for four days in order to peddle the bill he had initiated. In response to the criticism of the Chinese side, McConnell argued that his bill was aimed at supporting the Sino-British Joint Declaration and was conducive to closer relations between Hong Kong and the United States, that he did not mean to come into confrontation with China, and that his bill was not related to the U.S. political interests. In Hong Kong, members in the Legislative and Executive Councils, ordinary citizens, and the mass media all expressed the obvious attitude of not welcoming McConnell. They sternly criticized McConnell's bill for internationalizing the Hong Kong issue and for its evil effects which jeopardize Hong Kong's prosperity and stability. Some people even issued written protest statements. In that period, Zhou Nan, director of XINHUA Hong Kong Branch, met with McConnell and once again explicitly expressed the constant position of the Chinese side on the bill. After that, Lu Ping, director of the Hong Kong and Macao Affairs Office of the State Council, also pointed out that the "U.S.-Hong Kong Policy Bill" was in violation of the Sino-British Joint Declaration and would do nothing good for Hong Kong and for Sino-U.S. relations. However, the U.S. Congress disregarded all this and continued to act willfully. Beginning in early

May, first the Foreign Relations Committee of the Senate and then the Senate passed the bill.

#### Essence Remains the Same

When the U.S. Senate passed the bill, it said that McConnell's bill was revised on some points. However, if one reads the whole text, one will easily find that the so-called revision is only in the provision which requires the U.S. Government to submit to Congress a report every year on the Hong Kong issue; the points about supervising the implementation of the Sino-British Joint Declaration were deleted; the action of passing such an act and the essence of this act were still aimed at providing some legal grounds to politically meddle in Hong Kong's affairs and thus interfere in China's internal affairs. For example, the second paragraph of the act specifies that after 1997, the United States will continue to consider Hong Kong's "democratization" as basic policy toward Hong Kong. It also asserts that "the Hong Kong people's human rights are of great importance for the United States, and have a direct bearing on the U.S. interests in Hong Kong." The act authorizes the U.S. Government to submit regular reports on the development of democracy and human rights in Hong Kong.

As everybody knows, the United States itself is faced with many problems in the aspects of "democratization" and "human rights," and cannot properly manage its own affairs. However, it still tries to flaunt these banners in order to interfere in other countries' internal affairs all over the world. Its reputation is indeed very bad. They are now "concerned" about the "human rights" condition of China's Hong Kong Special Administrative Region in the future and support the so-called "democratization." This is just the same trick they used to play, and is completely aimed at interfering in China's internal affairs, stirring up trouble in Hong Kong, and thus fishing in troubled waters. A report submitted by the American personnel in China [mei guo zhu hua ren yuan 5019 0948 7465 5478 0086 0765] and the "Heritage Foundation," a brain trust for the president, said that after 1997, "the United States will inevitably replace Britain as the most important [zui shou yao 2584 7445 6008] Western country for Hong Kong." This gave expression to the United States' intention of interfering in Hong Kong through its domestic legislation and also provided the best footnote for their purpose of enacting the U.S.-Hong Kong Policy Act.

#### Hong Kong's Political Situation Brooks No Internationalization

The Hong Kong issue left by history has been solved through the signing of the Sino-British Joint Declaration. According to the relevant provision in the Sino-British Joint Declaration, in the transitional period, the British side is responsible for the administration of Hong Kong in order to maintain and preserve its economic prosperity and social stability. The PRC Government will give its cooperation in this connection. That is to say,



between the date of the entry into force of the Sino-British Joint Declaration and 1 July 1997 when Hong Kong is returned to China, the Hong Kong issue is an affair between the Chinese and British Governments and brooks no interference from any third country; after 1 July 1997, the Hong Kong issue will be completely an internal affair of China, which brooks still less interference from any external forces. The Basic Law of the Hong Kong Special Administrative Region gives concrete and legal expression to the principles and policies of the Chinese Government toward Hong Kong specified in the Sino-British Joint Declaration and provides the legal guarantee for the realization of a high degree of self-government by local people in Hong Kong to preserve prosperity and stability under the principle of "one country, two systems." Under these circumstances, any "caring" of the United States about Hong Kong is absolutely uncalled-for. However, the United States still poses as Hong Kong's future guardian and tries to interfere in Hong Kong's internal affairs through its domestic legislation. This is not only taking other people's job into one's own hands, but also an undisguised act of interference in the future high-degree self-government in Hong Kong. It is even more ridiculous of McConnell to say that as the United States has made \$7 billion of investments in Hong Kong and more than 20,000 American nationals are living in Hong Kong, it is necessary for the United States to enact such a law regarding Hong Kong. One may ask: How much foreign investment is there inside the United States? How many foreign nationals are now living in the United States? If other countries all imitate this practice and all try to interfere in the United States' internal affairs under the pretext of having investment and nationals inside the United States, then how will the United States feel?

The Chinese Government has a strong sense of principle and has made clear its principled position on the U.S.-Hong Kong Policy Act of the United States. If the United States stubbornly ignores China's warning, it is believed that the result will be unfavorable to Sino-U.S. relations.

#### **How Can Those Who Beg Foreigners for Pity Represent People in Hong Kong?**

After the U.S.-Hong Kong Policy Act passes all the legislative procedures, it will finally be put into effect. Its harmfulness to Sino-U.S. relations and to Hong Kong's long-term prosperity and stability is self-evident. In the previous period, people in various circles of Hong Kong continuously exposed and criticized the evil essence and harmfulness of the bill and demonstrated a strong sense of responsibility for maintaining Hong Kong's prosperity and stability in the transitional period and in the post-1997 period. However, some people who shouted the high-sounding slogans of "loving Hong Kong" and "loving Hong Kong people" every day went so far as to praise McConnell's bill. When McConnell came to Hong Kong for "consultation," they even announced that they would "take to their feet to support" his bill. Their excitement was fully reflected by what they said and did. They openly called for internationalizing Hong Kong's

politics and using the international political forces to "supervise and guarantee Hong Kong's democracy and freedom in the future." Not long ago, Martin Lee Chumming went to France and Germany to continue his lobbying activities and requested other countries' interference in Hong Kong's internal affairs by asking them to imitate the U.S. practice by formulating their own policy acts regarding Hong Kong.

On 1 July 1997, Hong Kong will return to the embrace of the motherland. It will be a brilliant date on which the Chinese nation will wash away its humiliation in history. The principle of "one country, two systems" and Hong Kong people's self-government provides the guarantee for Hong Kong's prosperity and stability and for Hong Kong people's bright future. However, Martin Lee Chumming and his company are now engaged in intensive activities by traveling far and wide in order to usher in foreign political forces by every possible means and to jeopardize Hong Kong's high-degree self-government. It is believed that the people in Hong Kong can easily discern whether their behavior is one of "loving Hong Kong" and whether such people can represent the Hong Kong people.

#### **Mainland Denies Goodlad Protested to Envoy to UK**

HK2606025392 Hong Kong SOUTH CHINA  
MORNING POST in English 26 Jun 92 p 1

[By Geoffrey Crothall in Beijing, Doreen Cheung, and Shirley Yam]

[Excerpts] China has denied that its Ambassador to Britain, Mr Ma Yuzehn, received a formal protest when summoned to the Foreign Office in Whitehall last week by the Minister with special responsibility for Hong Kong, Mr Alastair Goodlad.

The British Foreign Office said Mr Goodlad had "made clear (Britain's) concern" at comments made by senior Chinese officials on appointments to the Executive Council, but China's Foreign Ministry spokesman, Mr Wu Jianmin, yesterday played down the incident. [passage omitted]

A vice-director of the local branch of the New China News Agency (NCNA), Mr Zhang Junsheng, said China could not keep silent when the British side was not honouring the Sino-British Joint Declaration.

Rejecting a suggestion that the recent row between the Chinese and British governments was a war of words, Mr Zhang said the Chinese side was just trying to state its stance.

"I believe that both sides hope that (any clash) would not undermine our relations," he said.

Meanwhile, former Executive Councillor Mr Lo Tak-shing said the territory's political system and the Exco [Executive Council] appointments would significantly affect the success of the airport projects.

Stressing the importance of convergence, Mr Lo said China would welcome any attempt by the British-Hong Kong administration to discuss the 1995 direct elections.

However, Mr Lo noted that convergence in the election mechanism would not guarantee that all those elected in 1995 could continue to serve until 1999.

The decision as to who would be allowed to serve until 1999 would be based on the three requirements stated in the Basic Law, including upholding the Basic Law and allegiance to the Hong Kong Special Administrative Region.

#### **Hong Kong Governor Receives Farewell Wishes**

OW2506134692 Beijing XINHUA Domestic Service  
in Chinese 1331 GMT 24 Jun 92

[Text] Hong Kong, 24 June (XINHUA)—Bidding farewell to outgoing Hong Kong Governor Lord Wilson, Zhou Nan, director of the Hong Kong branch of XINHUA, said at noon today that Lord Wilson contributed significantly to the formulation and implementation of the Sino-British Joint Declaration, and it is hoped that he will continue to contribute to the full implementation of the declaration and to the continued development of Sino-British friendship and cooperation.

Director Zhou Nan said: Lord Wilson participated in Sino-British negotiations on the settlement of the Hong Kong issue from the very beginning. Later on he served as a British representative of the Sino-British Joint Liaison Group, and also governor of Hong Kong. During this process, good cooperative relations were established and developed between us. Lord Wilson contributed significantly to the formulation and implementation of the Sino-British Joint Declaration.

Expressing sadness at Lord Wilson's departure, Zhou Nan said to Wilson: "As an old friend of China, you understand China's situation very well. In the future, I hope you will continue to make new contributions to the full implementation of the Sino-British Joint Declaration and to the continued development of Sino-British friendship and cooperation." Director Zhou Nan also said that Lord Wilson is welcome to visit Hong Kong and China.

Lord Wilson indicated that he has been involved in affairs concerning Sino-British relations for years and that later he directly attended negotiations about the Hong Kong issue. He said he was reluctant to leave Hong Kong where he had worked for many years. He indicated that he will continue to be concerned about Hong Kong affairs and will do all he can to promote the development of Sino-British friendship. He added that he would visit China as long as there was an opportunity.

In an amicable atmosphere, the two sides also exchanged views on issues of common interest relevant to Hong Kong affairs.

Toward the end of the meeting, Director Zhou Nan gave Lord Wilson a Chinese painting as a gift, and said: "Mr. Lu Ping gave you two silver coins, and I gave you a Chinese painting. Silver coins symbolize wealth, and the Chinese painting symbolizes culture. It is quite complete when you have both wealth and culture."

#### **Airport, Pre-'97 Political Developments Linked**

HK2606025592 Hong Kong THE STANDARD  
in English 26 Jun 92 p A-1

[By Rain Ren]

[Text] Hong Kong's political development in the runup to 1997 will be an integral part of ministerial-level talks aimed at settling the airport projects funding row between Britain and China.

Beijing will offer an alternative to solve concerns over callable equities, regarded as debt by the mainland and a sticking point in approving the funding package for the airport and airport rail link.

The 5 to 8 July meeting in London will deal with Hong Kong's political progress—an issue which has sparked a diplomatic war of words between the UK and China.

Major political problems are whether to hasten the pace of democracy in Hong Kong and the possible appointment of United Democrats to the Executive Council.

China has rejected calls for faster democratic reform and has said the Basic Law, Hong Kong's mini-constitution after the transfer of sovereignty in 1997, clearly states the future composition of the legislature. Beijing has objected to allowing liberal United Democrats on the Executive Council because of their "subversive" views.

Beijing has demanded to be consulted on Executive Council appointments but Britain and Hong Kong have strongly emphasised the appointments are the Governor's exclusive domain.

British Minister with Special Responsibility for Hong Kong Alastair Goodlad will lead the British team while Vice-Foreign Minister Jiang Enzhu will head the Chinese side.

Provincial Airport Authority chief executive Richard Allen flew to London on Wednesday [24 June] night to help Mr Goodlad prepare for the talks.

According to Chinese sources, Beijing wants to settle the airport issue together with political issues.

Britain's Sino-British Joint Liaison Group leader Anthony Galsworthy said this meant the airport would be used as a bargaining chip.

China, at many informal meetings on the funding package, has wanted to find a solution to the issue of callable equity.

"We don't want to see a rose garden built on the basis of it being your treat but I have to pay," a Beijing official said.

Beijing has asked for extra money to cover the callable equity that may have to be paid to the MTRC [Mass Transit Railway Corporation] and Airport Authority on top of the promised \$25 billion in reserves for 1997.

#### **Shandong-Hong Kong Joint Company Planned**

*OW2506044392 Beijing XINHUA in English  
0319 GMT 25 Jun 92*

[Text] Qingdao, June 25 (XINHUA)—A contract for the establishment of the Shandong Boxing Oil and Fat Chemical Co. Ltd. was signed Tuesday at the economic and trade fair held in Qingdao city in east China's Shandong Province.

With a total investment of 147 million yuan, the company will be co-funded by the Shandong Boxing County Chemical Plant, Shandong International Trust and Investment Corporation and Hong Kong-Macao International Investment Co. Ltd. in Hong Kong.

The main products of the company will be fatty acid, fatty amine, glycerine and about 70 percent of its products will be exported to the international market.



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